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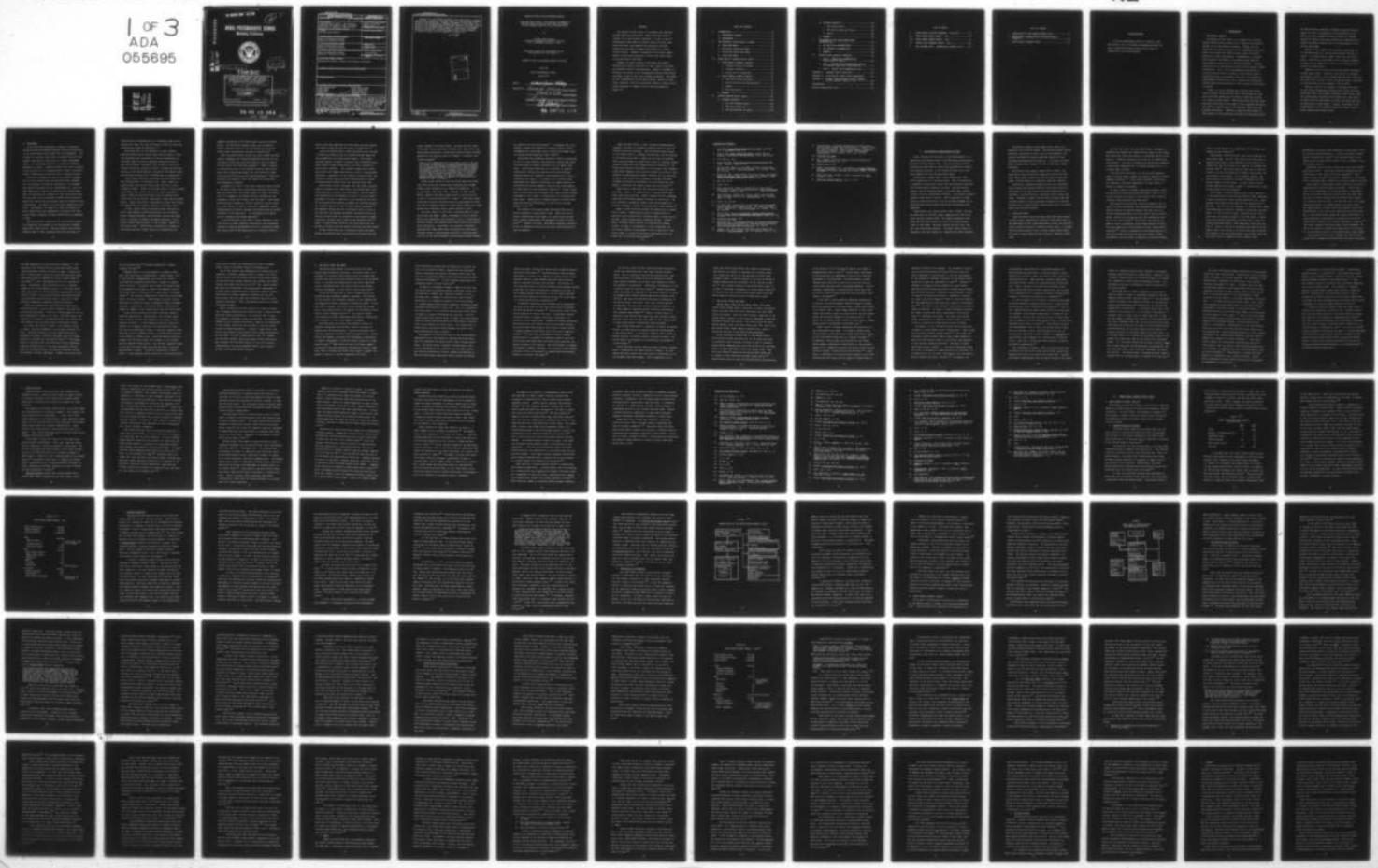
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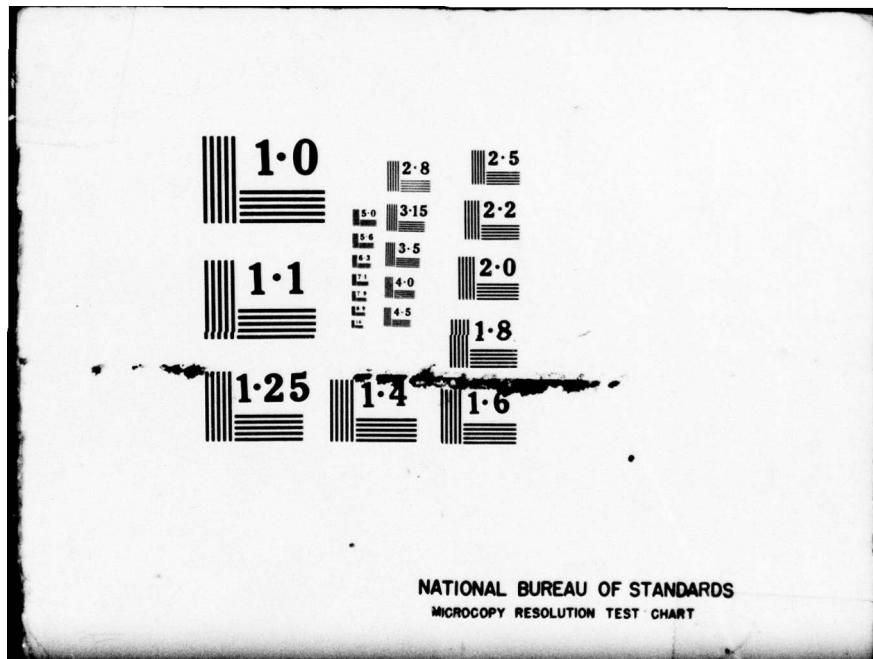
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6 JAPAN AND NORTH KOREA: THE GROWING ACCOMMODATION BETWEEN JAPAN AND NORTH KOREA AND ITS EFFECT ON THE NATIONAL SECURITY OF THE UNITED STATES.

by

10 William Jamie Hulsey

11 Mar 1978

12 217p.

Thesis Advisor:

Claude A. Buss

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Japan and North Korea: The Growing Accommodation  
between Japan and North Korea and its Effect  
on the National Security of the United States

by

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Lieutenant Commander, United States Navy  
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Submitted in partial fulfillment of the  
requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

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## ABSTRACT

The purpose of this thesis is to analyze the relations between Japan and North Korea, identifying each nation's concept of its own security interests. I have, by way of introduction, described the present status of Korea, both north and south, and examined the transitory division between the two halves of what both profess is a single divided country. Chapter II examines the strategic significance of the Korean peninsula to China, the Soviet Union, the United States, and Japan.

Chapters III and IV discuss North Korea and Japan's foreign policy goals, especially as they relate to internal and external security considerations. Chapter V attempts to determine the nature of the accommodation between North Korea and Japan, based on their own strategic interests. The effect of this accommodation on the United States, should it accelerate, reaching a positive conclusion; should it drag on with little progress; or should it fail, will be examined in Chapter VI.

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#### ACKNOWLEDGEMENT

I wish to acknowledge Professors Claude A. Buss  
and Frank M. Teti of the Naval Postgraduate School for  
their wisdom and unselfish efforts which made the  
completion of this work possible.

## I. INTRODUCTION

### A. PREPARATORY REMARKS

The purpose of this thesis is to analyze the relations between Japan and North Korea, and to identify each nation's concept of its own security interests. Reasons will be sought for the factors giving rise to accommodation and judgments will be made with regard to past trends and future prospects of these developments. Fundamentally, assessment will be made of the effects of detente between Japan and North Korea on the policies of the United States. Separate scenarios will be considered for each of these possible future alternatives: first, if the accommodation accelerates or achieves positive results; second, if such efforts drag on achieving little or no progress; and third, if attempts for rapprochement deteriorate or fail, leaving the relationship between Japan and North Korea in a worse condition than exists at present.

I shall, by way of introduction, describe the present status of Korea, both north and south, and examine the transitory division between the two halves of what both profess is a single divided country. Both South Korea and North Korea have dealt with Japan in the light of their separate existence, but with full appreciation of the pressures which exist for ultimate unification. Therefore, Japan has been obliged to take account of those pressures and deal with both South Korea

and North Korea as enduring if somewhat transient entities. Japan, too, must be prepared for any eventuality in the Korean peninsula, whether division continues or becomes sharper or whether unification becomes an accomplished fact. Japan-North Korea relations must be examined against this factual background.

Chapter II will examine the strategic significance of the Korean peninsula to the four major powers directly involved: the United States, Japan, China, and the Soviet Union. Each nation's perception of its strategic interests in Korea will be examined, as well as any preference for a united or divided Korea.

Chapters III and IV will discuss North Korea and Japan's foreign policy goals. Primarily, the aspects of internal and external security will be identified, and their relations with each other, as well as with the United States, China and the Soviet Union will be examined in that context.

Chapters V and VI will attempt to determine the nature of the growing accommodation between North Korea and Japan, based upon their own strategic interests. North Korea's need for international acceptance and economic ties, and Japan's essential security requirement of "peace and stability" will be significant in that regard. Finally, the nature of the accommodation will be examined within the context of the three scenarios described earlier.

## B. BACKGROUND

At the 1943 Cairo Conference, Franklin D. Roosevelt, Chiang Kai-shek and Winston Churchill jointly declared that in due course Korea would become free and independent. Over a third of a century later, Korea is neither free nor independent, and does not even exist as a single independent state. Yet the Korean peninsula is a place of strategic importance to Japan. Japanese foreign policy must be geared to the possibility of a changing Korean "order," and United States' foreign policy should be able to respond likewise.

Korea was liberated from thirty-five years of Japanese rule by rival United States and Soviet military commands. The "trusteeship" of Korea was manifested in the December 1945 Moscow Conference and the establishment of a joint US-USSR commission to settle the question of a unified Korea. When the commission met formally in 1946, the United States and the Soviet Union disagreed on whether Korean political groups who opposed the trusteeship should be included in the consultations. All efforts to unify Korea foundered on this point. Subsequently, on August 15, 1946, the Republic of Korea (South Korea) was inaugurated, followed by the Democratic People's Republic of Korea (North Korea) on September 9, 1946.

The United States, acting for the Allied Powers during the occupation, was mindful of the instability a rearmed Japan could cause in Asia. The new Japanese Constitution, effective May 3, 1946, contained thirty-one articles, of

which Article 9 renounced war as a "sovereign right of the nation" and "land, sea, and air forces, as well as other war potential will never be maintained."<sup>1</sup>

When China fell to the communists in 1949, however, American postwar policy toward Japan shifted rapidly, becoming predicated upon the desire to have an economically revitalized Japan to counter communist expansion in Asia.<sup>2</sup> With United States' assistance, she was able to focus her efforts towards her economic recovery, trusting her national security to the United Nations, relying on "the higher ideals now stirring the world for its defense and its protection."<sup>3</sup>

These postwar decisions concerning Korea and Japan have had lasting effects in Northeast Asia. Today, Japan is a lightly armed, non-nuclear nation with the world's third strongest economy. Korea, on the other hand, is still divided; the northern half allied with the two Asian continental powers, China and the Soviet Union, and the southern half allied with the two Pacific ocean powers, Japan and the United States. Japan's and China's achievement of Great Power status has complicated the strategic equation in Northeast Asia.

In 1950, shortly after the United States' Secretary of State, Dean Acheson, omitted South Korea from the United States' defense perimeter, North Koreans crossed into South Korea, ostensibly to reunify the Korean peninsula. North Korea's venture had the tacit, if not outright, support of the Soviet Union.<sup>4</sup> North Korea's nationalistic attempt at unification was most likely viewed as an opportunity for

communist expansion by the Soviet Union, and by the United States. The Collective Defense System, not necessarily Korea's strategic position, was the underlying reason for United States intervention on behalf of South Korea.<sup>5</sup>

When the United States crossed the thirty-eighth parallel, entered Pyongyang, and reached the Manchurian border at the Yalu River, China sent 1,200,000 troops to fight on behalf of North Korea--her "buffering neighbor." China's response to a perceived threat to her national security saved North Korea from a humiliating defeat, but also served to cement the North-South division on the Korean peninsula.<sup>6</sup> When the armistice was signed in 1953, both Koreas were militarily and economically bankrupt.

Throughout the 1950's, North Korea remained loyally allied to the Soviet Union, while cultivating relations with China. When the Sino-Soviet rift became public in 1960, the Conference of 81 Communist and Workers Parties in Moscow was not attended by either Kim Il-Sung or Mao Tse-Tung.<sup>7</sup> Even though North Korea was created as a Soviet satellite, she was able, in a short period, to chart a relatively independent course, blending Marxist-Leninist ideology with modernizing nationalism in pursuit of two main goals: (1) developing North Korea, and (2) reunifying the Korean peninsula.<sup>8</sup>

In the latter part of the 1950's, Japan developed a dualistic policy in which economics and politics were considered separate in dealing independently with the continental powers. This policy secured the normalization of relations with the

Soviet Union and commercial ties with China and both Koreas.

The stake of Japan was not very great in either Korea.<sup>9</sup>

During the period 1958 to 1965, North Korea was striving to thwart any normalization of relations between Japan and the economically poor South Korean regime. North Korea believed Japanese economic assistance would strengthen South Korea enough to make reunification, on terms favorable to North Korea, difficult. Any outright recognition of South Korea would also damage North Korea's claim to international legitimacy. Regardless of the interests of North Korea, the conflicts between Japan and South Korea prevented a treaty of normalization between those two countries until 1965.

South Korean leaders envisaged that this treaty required Japan to recognize only South Korea, restraining Japan from maintaining any relations with North Korea. But the phrase, "the government of the Republic of Korea is the only lawful government in Korea as specified in the resolution 195 (III) of the United Nations General Assembly" was inserted despite the vehement opposition from the South Korean government.<sup>10</sup> The Japanese Foreign Minister, Etsusaburo, made it clear to the Diet that the Japanese government interpreted the jurisdiction of South Korea "as specified in the General Assembly resolution; in other words, south of the ceasefire line."<sup>11</sup> Japan, in establishing relations with South Korea, was not willing to discount possible future relations with North Korea.

In 1965, North Korea was on excellent terms with China and was receiving military and technical assistance from her

"good" neighbor, the Soviet Union. But when she fell short of her goal in the seven-year economic plan (1961-1967), the North Korean government, citing South Korean military buildup, embarked on an official policy of "Chuche"--a national self-reliance program.<sup>12</sup>

Today we are confronted with the weighty task of carrying on economic construction and defense upbuilding in parallel, to lay a firm material foundation for the prosperity of all generations to come and establish a sound economic base which will enable us to readily cope with the great revolutionary event of the reunification of our country. All this can be achieved successfully only if the principle of self-reliance, the line of building an independent national economy is adhered to consistently and implemented more thoroughly.<sup>13</sup>

Chuche served notice to both the Soviet Union and China that North Korea was serious about developing her economy without total reliance on her communist benefactors. It is no coincidence that after Kim's statement in 1967, North Korea's imports from Japan jumped from 8.2 million dollars in 1967 to 20.8 million dollars in 1968.<sup>14</sup> North Korea would accept and cultivate assistance from the non-communist world. The level of Japanese exports to North Korea showed only slight growth until President Nixon's China overture of 1971.

The Nixon "shock" of 1971 had a startling effect on both North Korea and Japan. Japan, encouraged by the pro-South Korean Sato government and protected by the U.S.-Japan Mutual Security Treaty, was turning toward South Korea as an area of great opportunity. New markets and excellent investment opportunities found Japan deeply entrenched in South Korea. President Nixon's unanticipated overture to China hastened the fall of the Sato government and increased internal demand

for greater ties with North Korea.<sup>15</sup> In November 1971, the Dietmen's League for Promotion of Japanese-(North) Korean Friendship was established, with 31 of the 246 Dietmen from the ruling Liberal Democratic Party (LDP).<sup>16</sup>

North Korea most probably received no Chinese forewarning of the U.S.-Sino overture, and reacted by seeking additional ties with Japan to offset a possible loss of support from China. North Korea toned down all references to Japanese "militarism," decried the present state of North Korean-Japanese affairs as "abnormal," and declared 1972 a "year of friendship with Japan." In January 1972, a private trade memorandum with Japanese businessmen was signed calling for increased North Korean-Japanese trade and the establishment of trade offices in the respective capitals.<sup>17</sup> Private agreements, with no official government ties, could be made without violating the 1965 treaty of normalization of relations with South Korea. Significantly, Japanese exports to North Korea jumped from 28.8 million dollars in 1971 to 93.4 million dollars in 1972.<sup>18</sup>

The economic ties between Japan and North Korea can be easily evaluated in quantitative terms. These ties are of special significance since Japan, as a great world economic power, thereby acknowledges the de facto existence of North Korea.<sup>19</sup> Economic relations, although an important indicator, do not in themselves constitute the total relationship which must be examined.

Japan has been forced to seek, through extragovernmental channels, solutions to problems involving sensitive and even volatile political questions. The 1975 North Korean firing on the "Shosei Maru," a Japanese fishing boat, and the problem of the North Korean debt to Japan are the types of problems that a growing number of people feel cannot be resolved without constant contact and even normalization of relations.<sup>20</sup> The recent North Korean establishment of a military ocean boundary, within which Japanese ships are not allowed, was called a "big problem" by Prime Minister Fukuda: "Efforts will be continued to ensure safe operations by Japanese fishermen concerned, although the absence of diplomatic ties with North Korea was making it difficult for Japan to deal with the problem."<sup>21</sup>

Japan realizes that more ties with North Korea will provide more avenues of communication to discuss mutual problems before they escalate. Japan's Foreign Minister, Hatoyama, discussed North Korean-Japanese relations on television: "We will continue to gradually promote trade and personnel and cultural exchanges, thereby furthering mutual understanding."<sup>22</sup>

Japan is aware that both friends and enemies can be transitory in nature. Maintaining avenues of communication in countries such as North Korea increases Japan's foreign policy options, should international conditions warrant. Hideake Kase, a foreign affairs advisor to Prime Minister Fukuda, stated: "If Japan is threatened, or feels threatened, she will react, whether the government is one to the left or one to the right, to ensure to the best of her ability her survival just as would any other nation."<sup>23</sup>

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## II. THE STRATEGIC SIGNIFICANCE OF KOREA

Korea, divided into two parts at the 38th parallel, is a peninsula which contains about 50 million people and occupies an area of 85,000 square miles. Yet, as a divided nation, Korea has not been able to realize her potential as a nation with natural resources, a fine industrial base, and a location conducive to land and open ocean trade.

North Korea occupies about 47,000 square miles (55%) with a population of 15 million people. She is blessed with a responsive agricultural sector, and she possesses about 80% of all known mineral deposits in Korea. Many non-ferrous metals, iron ore reserves (about 2.4 billion tons), and anthracite coal are conspicuously present. The northern interior contains large forest reserves. Power production is based mainly on hydro-electricity, but the increased demands of industrialization make thermal electricity increasingly more important.

North Korea's per capita income (1976) is \$340. She has an armed force of 500,000 troops, supported with 25% of the gross national product (GNP). She trades extensively with China and the Soviet Union, but 10% of her total foreign trade is with Japan. Her major exports are pig iron, iron ore, and non-metallic minerals. Her major import items are machinery, fuel and related oil, chemical and rubber products.

South Korea occupies 38,000 square miles (45%) with a population of 33 million people. She possesses meager natural resources, consisting of coal, iron ore and graphite. Resources available for energy production consist of coal, petroleum and hydroelectric potential. In contrast to North Korea, thermal power accounts for 85% of the total energy generated.

South Korea's per capita income (1976) is \$400. Her armed forces total 600,000 men supported by 8% of the GNP. South Korea trades extensively with the United States and Japan, textiles being her single most important industry.

Both Koreas, weakened through division, must formulate their internal and external policies with great regard for the desires of the four nations directly involved in the peninsula: the United States, the Soviet Union, China, and Japan. Inasmuch as Japan's North Korean relations have multilateral effects, both nations must consider the interests and policies of other nations, particularly China, the Soviet Union, and the United States.

#### A. CHINA AND KOREA

Since the Soviet Union and China both share North Korea's northern border, geopolitical proximity could define much of the importance of the divided peninsula to these two countries. China's security interest, couched in these terms, is stronger than the Soviet Union's, due to a much longer border shared by China--a border located close to China's industrial heartland.

The fact that China, not the Soviet Union, responded by sending troops against the United Nations forces in 1950 shows how sensitively China views Korea as a potential threat to her security. China was willing to go so far as to confront the United States. The issue of maintaining non-hostile neighbors, a historically important part of Chinese foreign policy, is relevant today in Korea.

China and the Soviet Union, as the two great communist powers, continue their struggle for greater influence in other communist countries.<sup>24</sup> Their mutual neighbor, North Korea, has afforded an excellent opportunity for each country to expand its sphere of influence.

As long as Korea is divided, China must determine separate policies for North Korea and South Korea, and it is, of course, essential for Japan to take careful note of China's relations with both North and South Korea.

With regard to North Korea, China has depended upon cultural ties with the Koreans, her uncompromising ideological position against alleged revisionism, and her status as a "fellow" developing nation to foster closer ties with North Korea. China's aid program has been less substantial than that of the Soviet Union.<sup>25</sup> Since 1970, when Chou en-Lai made his visit to Pyongyang, North Korean-Chinese relations have been improving to the detriment of North Korean-Soviet relations.<sup>26</sup> China's acceptance into the United Nations in 1971 has provided the North Koreans with another strong spokesman at the world body in addition to the Soviet Union.

China's strong support has strengthened the fraternal ties between the two countries.<sup>27</sup>

Nevertheless, North Korea has never been exclusively in the Chinese camp. The fact that China has not been able to dominate North Korea is due primarily to her inability to compete with the Soviet Union as a supplier of economic and military aid.<sup>28</sup> The Soviet Union has been able to exert influence in Korea by providing the economic and military support needed by the Koreans. As an economic partner, the Soviet Union has not had to be overly concerned with ideological support to North Korea. In times when the North Koreans viewed Soviet economic support as insufficient, North Korean-Chinese ties have deepened.

North Korea's professed major foreign policy objective is the reunification of the Korean peninsula under communist, or more specifically, "North Korean communist" rule. China supports this objective provided that the reunification is peaceful. She would use her influence to restrain Kim il-Sung from embarking on a military campaign to bring reunification about. In view of China's global responsibilities, she is aware that an adventure similar to the 1950 effort to unite Korea could involve both Koreas and their major allies in a widely escalating conflict, which apparently China does not want.<sup>29</sup> China is involved in advancing the needs of her own people, and is not willing to sacrifice this goal, entering into conflict with the United States, and possibly Japan and the Soviet Union, in support of Kim il-Sung's dream.

Reunification of Korea, while desirable to North Korea, is not an intrinsic Chinese objective. It must be related to other Chinese foreign policy goals,<sup>30</sup> and presently China is not ready to risk a major conflict which is not in defense of her own national security.

Unilateral action by Kim il-Sung would pose other serious problems for China. Since China could not compete with the Soviet Union in the supply of military hardware,<sup>31</sup> such a conflict would increase North Korea's dependence on the Soviet Union, lessening China's influence with other communist nations.

With regard to South Korea, China's policies must involve relations with the United States and Japan. China, fully aware of the commitment of the United States to South Korea and of the treaty between the United States and Japan, does not want to become involved with the United States because of a military clash in Korea. Nor does she wish to see Japan abandon her status as a lightly armed, non-nuclear power. Any armed conflict in Korea would most probably involve the United States in her role as the "protector" of South Korea. But, if the United States should not support South Korea, it would cause great consternation in Japan over the lack of United States response to her treaty commitments in general.<sup>32</sup> The latter situation could push Japan toward rearmament. In short, any conflict in Korea would place China in an uncomfortable position relative to the United States and/or Japan.

China supports North Korea's demand that United States troops must be removed from South Korea, but China's position

has been announced in relatively mild statements.<sup>33</sup> This relatively mild Chinese position concerning United States troop withdrawals reflects her fear of Japan. Peking feels that if United States troops were withdrawn from South Korea, South Korea would be tempted to look more toward Japan for assistance.<sup>34</sup> Such a development would not be welcomed by China. Furthermore, China would object less to Japanese expansion of its Self Defense Forces if it were made wholly within the context of the United States-Japan Mutual Security Treaty;<sup>35</sup> China is less perturbed about the threat involved in United States military power than it would be if Japan possessed independent comparable military capability.

Given the circumstances described above, China would proceed cautiously in any possible change of the status quo on the Korean peninsula. Stability in Korea appears to be the more advantageous situation for China. She would retain the security of a friendly, non-menacing buffer state wherein she could compete with the Soviet Union on ideological terms.

One issue--the issue of Taiwan--is an important factor in China's possible acceptance of an ultimate 2-Koreas situation. Professor Ha points out that China would find it impossible to accept a 2-Koreas settlement until the Taiwan question is resolved with the United States.<sup>36</sup> Furthermore, China, in the April 1975 joint Sino-North Korean communique, referred to North Korea as "the sole legitimate sovereign state of the Korean nation," severing any immediate Chinese move toward a 2-Koreas settlement. Notably, the Soviet Union

has not followed suit,<sup>37</sup> privately opting for a "German formula" for Korea.<sup>38</sup>

Although China is on record against a 2-Koreas settlement, she shows signs of equivocation. Recent events, such as the Sino-U.S. rapprochement, have shown that China is concerned with obtaining United States' support to counter Soviet hostility. The policy shift toward the United States was presented as an effort to counter the immediate threat, the Soviet Union, by uniting with a remote power, the United States.<sup>39</sup> This involved tempering her objection to the United States' position on Korea. Traditionally a patient nation, China may be willing to forego an immediate Taiwan settlement and grant a concession to the United States in Korea in exchange for support in her confrontation with the Soviet Union.

In the event of unification, China's policies would be modified significantly. Specifically, the strategic importance of Korea to China would depend on the status of Sino-Japanese relations. If Sino-Japanese relations continue to improve, as it appears they will, the unification of Korea will not be so important to China. A unified, communist Korea would add little to Chinese security, as Korea would continue to be primarily a buffer state. Yet China would be forced to compete with the Soviet Union for influence in the unified, and more powerful Korean nation. Any unified, communist Korea, allied with the Soviet Union would be more than a political embarrassment to China. It would be considered a security threat. A non-communist Korea, while not a strong possibility,

would also be viewed very suspiciously by China, bringing about a state of increased tension in Northeast Asia.

Due to the cultural and ideological ties between the two countries, a unified, communist Korea is likely to be "more closely allied with the Chinese than the Soviet Union, unless the post-Kim elite becomes obsessed with economic and technological assistance from the U.S.S.R."<sup>40</sup> But, should technology prove to be important, and technological advancement in a united Korea could make Korea a relatively powerful nation, Korea would be strongly tempted to approach not only the Soviet Union, but also Japan and the United States for technological assistance. Such a development would not be viewed with favor by China.

China, viewing her security interests in Korea as requiring a friendly buffering state, prefers Korea to remain divided, given the likely possibilities. She realizes that in quest for influence, ideological bonds are important, but pragmatic elements such as economic and military support will predominate. In this regard, China feels she has much to lose and little to gain by Korean unification. Professor Clough states that China "still publicly and privately favors Korean unification, but for them, it is not a high priority issue."<sup>41</sup> Indeed, for political reasons, China does support Korean unification more strongly than the Soviet Union, but her true strategic considerations, for the foreseeable future, point toward a divided, non-menacing Korean peninsula.

## B. THE SOVIET UNION AND KOREA

The Soviet Union shares a ten mile border with North Korea along the Maritime Provinces. The Soviet Union, as a neighbor, as the major North Korean source of economic and military aid, and as the most powerful nation in the Socialist world, is involved and concerned with the Korean peninsula. Lenin's observation that "the road to Paris lies through Calcutta and Bombay" is still valid in the Soviet Union.<sup>42</sup>

At the end of World War II, Soviet foreign policy was predicated upon expanding communist ideology. North Korea, in this context, was extremely important as the vanguard for the expansion of Soviet influence in Korea and Japan. In the late 1950's, however, the Soviet Union shifted her foreign policy from expansionism to the support of nationalistic movements in newly emerging nations.<sup>43</sup> This policy, called "revisionism" by China, downgraded North Korea's significance as an "outpost" in the world communist movement.

With Khrushchev, the Soviet Union adopted a policy of peaceful coexistence with the West, even to the point of detente with the United States. Peaceful coexistence was a realistic appraisal of Soviet needs and capabilities. United States and Japanese assistance and technology was necessary to support development of Siberian natural resources--a high priority goal.<sup>44</sup> When these two active doctrines--support of national liberation movements and big-power detente--came into clash in Vietnam, the Soviet Union opted to support the former so long as it did not jeopardize the latter.

The Soviet Union, recognizing the danger of a military conflict with the United States, coupled with the advantages Western technology and capital investment could bring, did not wish to jeopardize detente while pursuing Asian national liberation movements.<sup>45</sup> In 1973, peaceful coexistence was accepted as part of Soviet doctrine.<sup>46</sup>

So long as a reasonable attempt is made by the West and the Soviet Union to maintain detente, the Soviet Union will be unwilling to support any liberation movement in Asia--including such a movement by North Korea's Kim il-Sung.<sup>47</sup> North Korea, as a communist neighbor to the Soviet Union, is a buffer against South Korean, Japanese, and United States influence and militarism in East Asia. But, as a superpower, the Soviet Union is not seriously worried about South Korea or Japan (at present) threatening her security. With her large Seventh Fleet and her bases in Japan, the United States would not really need South Korea if she decided to take military action against the Soviet Union. The significance of North Korea to the Soviet Union becomes, in reality, more political than military in nature.

The interests of the Soviet Union in the divided Korean peninsula will be best served by insuring that North Korea does not jeopardize the Soviet Union's major foreign policy goals. The Soviet Union's interest in North Korea, then, will be determined by her relations with the major powers. Any state of hostilities in Korea, whether precipitated by North or South Korea, would most likely involve the United

States and Japan, forcing the Soviet Union to abandon detente and assist North Korea.<sup>48</sup> The Soviet Union, while becoming embroiled in a conflict not caused by a direct threat to her national security, would abandon any gains which could be made by improved relations with the West. The Soviets, on the tenth anniversary of the Soviet-North Korean defense treaty, noted that the treaty provided for "coordinated actions" in the struggle against imperialism--a not-too-subtle reminder that she would oppose any unilateral action that could lead to a United States-Soviet confrontation.<sup>49</sup>

If peaceful coexistence with the West can be maintained, the major Soviet goal in East Asia would be the containment of China and Chinese influence.<sup>50</sup> Soviet policy toward Korea can be expected to reflect this goal. Containment requires the Soviet Union to compete with China, "peacefully," in countries such as North Korea. Without the strong ideological and cultural ties the Chinese claim with the North Koreans, the Soviets have been forced to rely solely on their ability to supply economic and military aid to the sister communist neighbor.<sup>51</sup> The fact that containment of China in Soviet foreign policy is secondary to avoiding a conflict with the United States and Japan shows the Soviet Union perceives the Korean situation to be volatile. The Soviet Union, to enhance containment of Chinese influence, will respond to North Korean pressure, but not to the point of jeopardizing United States detente or relations with Japan.<sup>52</sup>

The Soviets, while publicly favoring Korean unification, stress that unification must come about through peaceful means. This is consistent with Soviet foreign policy, and the Soviet press has tended to be most enthusiastic about North Korean statements and actions which emphasize a peaceful approach to unification. Unification, furthermore, is not a goal in itself for the Soviet Union.<sup>53</sup> Korean unification could conceivably be supported by the Soviet Union if it could be brought about without jeopardizing Soviet relations with the West, and where the unified Korea would be responsive to the Soviet Union, vice China. But, even if this could be accomplished, the end result would be counterproductive, as it would negate an important Soviet objective--preventing a Sino-Japanese rapprochement.<sup>54</sup> Hence, a united Korea, responsive to the Soviet Union might have some intrinsic value, but that value would be more than offset by the repercussions to other major powers--specifically Japan and China.

Any unified Korea which is responsive to China, the United States, or Japan would be a genuine political embarrassment to the Soviet Union. It would not, however, pose a threat to Soviet security, as would a similar situation to China. The Soviet Union is too powerful to be militarily threatened by a united Korea.<sup>55</sup>

Soviet national interest would preclude allowing a unified Korea, influenced by any other nation, to emerge. For that reason the Soviet Union views the present divided Korea to be the probable long-term outcome. Cross-recognition, or at

least more Soviet-South Korean ties might be forthcoming. The Soviets are content to seek practical solutions which will reduce the risk of war and preclude political embarrassment; hence, a solution similar to the post World War II German formula would be acceptable, if not favored, by Moscow.<sup>56</sup> The "private" opinion of the Soviet Union seems to be that a two-Koreas settlement will be the final solution.<sup>57</sup> It would be the only solution which would safely allow the Soviet Union to pursue her major foreign policy goals.

#### C. THE UNITED STATES AND KOREA

Unlike Japan, China and the Soviet Union, the United States cannot define Korea's importance in terms of proximity. Korea lies more than 3000 miles from Hawaii and about 5000 miles from Alaska. Korea has been extremely important to the United States, however, as the blood of thousands of Americans spilled in battle will attest. The United States has had a mutual defense treaty with South Korea since 1954, and to this day United States troops remain on Korean soil, ready to insure the survival of the South Korean government.

At the conclusion of World War II, the United States' Joint Chiefs of Staff declared that "if the enemy were able to establish a base in Korea, he might be able to interdict United States communications until United States air and naval forces in Japan undertakes retaliation against them. Moreover, any offensive operation the United States might wish to conduct in Asia would most probably bypass Korea."<sup>58</sup> United States policy in 1950 was directed toward the protection

of the security of the Far Eastern regions, not simply in defending South Korea itself.<sup>59</sup> United States involvement in the Korean War was undoubtedly based on this principle. Subsequent to the Korean War, the United States' primary foreign policy goal was to avoid an all-out war with the Soviet Union and China while containing communism. Korea's strategic significance in United States' Asian policy was as one of a chain of bases along the Asian periphery--with Japan as the anchor.<sup>60</sup>

In the 1960's, Korea became an important forward base in Asia for the United States' flexible response strategy. After the emergence of China and Japan to great power status in the latter 1960's, Korea became important as the "cross-roads" where China, Japan, the Soviet Union, and the United States were actively engaged in big power politics. The policy of the United States evolved to stress that no single nation would be predominant in Northeast Asia.<sup>61</sup>

Today, Korea's strategic importance has become tied to her relationship with Japan. As Professor Clough states, "The attitudes toward Korea have become inextricably linked to their attitudes toward the U.S.-Japanese alliance."<sup>62</sup> Accordingly, the principal justification for the United States defense commitment to South Korea is "the potential damage to U.S.-Japanese relations that would result from the military conquest of South Korea by North Korea."<sup>62</sup> South Korea is important to the United States because of her close relationship with Japan, and our support of South Korea is

carefully watched by the Japanese. Any outbreak of hostilities in Korea would force the United States to honor her treaty commitment to South Korea, or face the consequences of the collapse of Japanese confidence in the United States' intention to honor her commitment to Japan.<sup>63</sup> Japanese re-armament, including a nuclear capability, could result, spurring the Soviet Union and China to further arms buildup. United States Secretary of Defense, Donald Rumsfeld, stated, "As long as the security of Korea is regarded as essential for Japan, the active support of Korea is vital and required for the preservation of the political stability in Northeast Asia."<sup>64</sup> The shift in the strategic significance of Korea is subtly perceptible. No longer is Korea considered essential for Japan's protection; Korea's importance to the United States is interwoven with Japan. How Japan views United States determination to uphold her mutual defense treaties in Asia is mirrored by United States actions in Korea.

On January 1, 1975, the United States had an authorized strength of 42,000 ground troops in South Korea. These troops also possessed tactical nuclear weapons.<sup>65</sup> The troops were originally placed in South Korea in much larger numbers to deter any North Korean attack on South Korea, and withdrawn as the tactical situation permitted. Secretary of State, John Foster Dulles, stated: "... we have no obligation under the treaty to maintain any armed forces at all in Korea. If it seems wise to us, we could, consistently with the treaty, wholly withdraw our forces in Korea."<sup>66</sup> At present, the

United States Second Division is stationed between the Demilitarized Zone and Seoul; a deterrent against a North Korean blitz of Seoul, which lies only 30 miles south of the Demilitarized Zone. Their presence, however, underscores the United States concern for continued peace in Northeast Asia. Their location in the path of any probable North Korean attack does have military significance, but the political significance as a "tripwire" ensuring a United States response to an attack on South Korea is paramount.<sup>67</sup>

As late as August 1975, Secretary of Defense Schlesinger stated the presence of United States forces in South Korea was essential to the stability of the peninsula.<sup>68</sup> But in 1977, Defense Secretary Harold Brown stated that South Korea was becoming strong enough economically to provide for her own defense. He said that when the security of South Korea does not depend on United States ground forces, it would be an inherently more stable situation.<sup>69</sup> South Korean President Park acknowledged, even in 1975, that United States troops were not required to meet a North Korean attack, but he stressed the importance of their presence as a guarantee the United States would respond to an attack with air and sea forces. They were a strong and viable deterrent to Soviet and Chinese intervention.<sup>70</sup>

This "guarantee," however, locks the United States into a conflict with the Soviet Union and/or China, should they support North Korea in an attack into South Korea. Detente and Chinese rapprochement would be better served if the United

States in a defensive posture had a flexible, or optional, response toward hostilities in South Korea. Removal of this "tripwire" would be safer for the United States in the long run, especially if South Korea could defend herself. Any defusing of big power confrontation would be beneficial to the United States.

The United States' present commitment to South Korea seems no longer to stand in reasonable relation to the contemporary United States' national interest.<sup>71</sup> The continued security of Japan or the American interest in Asia does not require the United States to risk war for the security and independence of South Korea. As President Carter said, "The essence of the question is: 'is our country committed on a permanent basis to keep troops in South Korea even if they are not needed to maintain the stability of that peninsula?'"<sup>72</sup> The troop withdrawals show that the United States feels that South Korea can defend herself against a North Korean attack, and United States air and naval power would be used as required to display our continued support for South Korea. As a "distant" power, it is easier for the United States to disengage from South Korea than for the other three concerned powers. Yet, the United States must be able to mollify Japan, for if Japan questions the United States' determination, she may take other steps, such as nuclear rearmament, to ensure her security. The United States' continued economic support, coupled with air and naval power, is geared to do that now.<sup>73</sup>

The close relationship between South Korea and the United States has other ramifications. South Korea, like North Korea, needs the support of foreign countries. Any weakening of the United States' commitment to South Korea is an extremely dangerous development for Seoul. Presently there are about 150,000 South Koreans in the United States who could be manipulated to develop pro-Seoul support and to curtail opposition in the United States.<sup>74</sup> Mr. Donald Ranard, former director of Korean Affairs at the State Department, testified that, "... at least 85% of their (KCIA) effort, their staff, their resources in the United States are directed toward the intimidation of Koreans resident in the United States."<sup>75</sup> Research institutes as well have been deemed to be recipients of large amounts of KCIA support.<sup>76</sup> Recent revelations about KCIA influence-buying of United States legislators is another example of South Korean attempts to ensure United States support is forthcoming. Unfortunately for the South Koreans, when such activities are discovered the tactics prove to be counterproductive. Radio Pyongyang broadcasts of the scandals, confirmed by U.S. Armed Forces broadcasts, can only serve to enhance the credibility of Radio Pyongyang.<sup>77</sup> South Korea further weakens her international position when forced to state publicly that the Tong-son Park influence buying affair is not related to pending issues with the United States, such as troop withdrawals.<sup>78</sup> Unfortunately, if South Korea does appear to be weakened by such a chain of events, United States withdrawal of troops could be more easily interpreted as abandonment by other nations.

A united Korea could potentially become a significantly powerful nation in a decade or so. The United States could become a major economic partner, especially with the development of Alaskan resources in the United States.<sup>79</sup> Today, North Korea is aware of the potentially profitable commercial ties with the United States. This awareness is tempered, however, by North Korea's deep-rooted hostility toward the West.<sup>80</sup> Nevertheless, any united Korea would be able to concentrate on nation-building to a much greater degree than at present, and that building process would make United States technology, in return for needed markets, attractive.

It should be recalled, however, that the recent Administrations have expressed a preference for a 2-Koreas settlement, and the actual behavior of the United States has shown her concern for building and strengthening South Korea.<sup>81</sup> Even with the troop withdrawals, the United States Government will most likely accede to President Park's request for 1.5 billion dollars in compensatory aid.<sup>82</sup> This policy is geared toward a permanent North-South settlement. A divided peninsula with South Korea possessing the military strength to defend herself from any North Korean attack, allowing the United States to take a lower posture--a posture not directly confronting the Soviet Union and China--is the ultimate goal of the United States' Korean policy.

#### D. JAPAN AND KOREA

Japanese-Korean interactions have been documented for hundreds of years. Korea has been called the dagger pointed at the heart of Japan, but as much of Asia learned during World War II, Korea can also provide the roadway for Japan into Asia.

The tangible ties between lightly-armed, non-nuclear Japan and a divided Korea are primarily economic. The economic ties with South Korea are strong indeed. In 1976, their total trade volume was 4.75 billion dollars. Japan realized a trade surplus of 907.3 million dollars which reflected the excellent South Korean markets for Japanese produced goods. Japan absorbs 40% of South Korea's trade and provides 50% of its imports. Their trade volume was roughly one-sixth that of the Japanese-United States total.<sup>83</sup>

Trade volume is only one indicator of the Japan-South Korean economic relationship. Since 1962, Japan has become heavily committed to capital investment in South Korea. She has far outstripped the United States in this field, accounting for 61.6% (\$543,878,729) of all foreign investment in South Korea, as opposed to 19.2% (\$169,520,640) for the United States.<sup>84</sup> Noticeably, South Korea is changing her foreign capital inducement policy, stressing European investment in heavy, chemical and strategic industries, in part to offset the heavy dependence on Japan.<sup>84</sup>

The Korea Herald, noting these strong economic ties, stated "that Japan's cooperation with this country (South

Korea) lies largely in the economic area is indisputable from both the theoretical and practical points of view."<sup>85</sup> From a strategic standpoint, this economic relationship cannot be ignored as it constitutes a major Japanese commitment to the endurance of the South Korean state. Some analysts consider the economic relationship to constitute the paramount strategic relationship between these two nations.<sup>86</sup> A high ranking government official declared in the Diet, in October 1969, that "the use of Japanese security forces in South Korea would not be an unconstitutional act if used in defense of Japanese national interests in Korea."<sup>87</sup> Other analysts consider the economic relationship very important, but not the paramount one, from a strategic standpoint.

South Korean economic ties are obviously beneficial to Japan, but she has proven to be more concerned with geopolitical realities than with pure economics. In 1965, Professor Tanaka Naokichi argued for the necessity of stabilizing the South Korean economy to counteract the large North Korean-South Korean trade imbalance favoring North Korea. He argued that this large imbalance could destroy the status quo in Korea, to the detriment of Japan.<sup>88</sup> Therefore, while the large iron, coal, and other non-ferrous metals in North Korea make that country extremely attractive as a supplier of raw materials, Japan will proceed cautiously, aware that any 2-Koreas policy must be based on a concern for her own security, not simply on an economic basis.<sup>89</sup>

United States military power in Northeast Asia embodies American determination to maintain peace and stability in that part of the world by deterring aggression against Japan and South Korea and providing the "military balance" to China and the Soviet Union. The continued drawdown of United States ground troops in South Korea has accentuated Japanese perceptions of Korea's significance.

The continued presence of United States troops in South Korea is favored by the mainstream of the LDP, business leaders and the Defense Agency. For them, United States military presence in South Korea counters nearby Soviet and Chinese forces, improves the climate for Japanese trade and investment in South Korea and, most importantly, strengthens the credibility of United States' commitment to the defense of South Korea and of Japan, itself.<sup>90</sup>

United States' base rights in Japan constitute a major Japanese involvement with the United States toward maintaining peace and stability in Northeast Asia. Any United States intervention in Korea, in compliance with the United States-South Korean defense treaty, would most probably be staged, or at least reinforced, from these Japanese bases. The present United States policy of removing all ground troops from South Korea only accentuates the importance of Japanese bases to the United States.<sup>91</sup> Troop removal from South Korea presumably would reduce United States involvement in a Korean conflict. Such a situation, while eschewing super-power confrontation, would leave the Korean peninsula in an inherently less stable condition.

Stability in Korea is critical to Japan. Any Korean upheaval would have profoundly unsettling effects in Japan, and it is imperative that Japan know whether the United States' troop withdrawals from South Korea are due to the South Koreans' ability to defend themselves or simply United States retrenchment, focussed in Asia. Japan's reaction to the United States policy has been relatively mild. Yi Chol-song, the South Korean opposition leader, voiced regret over Japan's passive response to the United States action. He warned Japan that she would not be able to enjoy the present stability provided by United States troops should hostilities arise.<sup>92</sup>

Hostilities in Korea would force Japan into an unfavorable strategic posture. Should the situation arise, United States intervention in Korea would precipitate a bitter controversy in Japan over the use of the Japanese bases.<sup>91</sup> While the Japanese - United States security treaty is looked upon more and more benevolently by the leftist parties, the use of Japanese bases in a Korean conflict would be strongly opposed by the JCP and the JSP.<sup>94</sup> Even the DSP and some factions of the LDP would voice opposition to their use. Japanese approval of the use of the bases, although contested, would most likely be granted in order to retain United States support. Japanese troops would not be offered to defend South Korea, however.<sup>95</sup> Such a development would frighten both China and the Soviet Union who, seeing a return to Japanese militarism, would react in a hostile manner toward Japan. Japan, as a lightly armed

nation, does not desire to incur the wrath of her heavily armed neighbors.

Should hostilities break out in Korea and United States military assistance not be forthcoming, or not be enough to enable the Seoul Government to survive, Japan would be faced with a situation in which her own security, reliant heavily on the United States deterrent force, would be in very serious doubt. A quick move toward neutralism would be probable, followed by severe internal pressure to rearm. Most likely the leftist parties would make considerable political gains at the expense of the ruling LDP.

Japan's concern for peace and stability in Korea is a basic element in her strategic calculations.<sup>96</sup> The Fukuda-Carter joint communique of 22 March 1977 noted, "... the continuing importance of the maintenance of peace and stability of the Korean peninsula for the security of Japan and East Asia as a whole."<sup>97</sup> Recent Japanese urging for the admittance of North and South Korea to the United Nations emphasized that "peace and stability on the Korean peninsula" are a matter "of great concern for Japan."<sup>98</sup> The emphasis on peace and stability reflects the true strategic significance of Korea--a volatile area, close to Japan, which, if immersed in conflict will involve Japan and the United States in confrontation with the Soviet Union and China, or will leave Japan a militarily weak nation with no credible deterrence; an atmosphere not at all conducive to worldwide economic confidence.

The emphasis on stability is interpreted by many in the LDP (and DSP) to reflect Japan's official position that occupation of South Korea by hostile powers would threaten Japanese security. Leftist parties and many intellectuals disagree with this argument, however, stating that if the Soviet Union and China were interested in the heart of Japan, they would not really need Korea.<sup>99</sup> The real problem for Japan is not that a unified Korea might come under "hostile" rule, but that the unbalancing or destabilizing effect of the unification process would adversely involve Japan. This would imply, further, that Japan could accommodate herself to a unified Korea ruled by the North Korean regime so long as the unification process could be accomplished peacefully.<sup>100</sup> This is not to say that such an occurrence would be favored, however. As Professor Herbert Passin has stated, "The Japanese Government would probably prefer a continuation of the status quo ... but with the uncertainties about the United States position, the pressures for a new neutral position are growing stronger. Since Japan already recognizes South Korea and is deeply involved there, a balance can only be achieved by a higher degree of recognition of the North."<sup>101</sup>

Japan also has a strong economic interest in maintaining the present divided Korea. A unified Korea, with the potential of a strong nation and an aggressive economic structure, would be a bridgehead to trade with China, generating great competition between those nations with vested interests in Korea.<sup>102</sup> This situation, added to increasing Korean economic influence

worldwide, would have an adverse effect on Japanese worldwide business interests and add a competitor for ever scarce natural resources. Furthermore, with no common market between North and South Korea, Japan enjoys trade with both. A relaxation of tension, or a reunification of Korea, could eliminate a substantial portion of this already existing trade. Finally, a unified Korea not sympathetic to Japan would jeopardize Japanese investments and markets presently in South Korea.

Japan feels that a status quo situation is presently infinitely better from a national security standpoint and from an economic standpoint.<sup>103</sup> Increased trade with North Korea would seem to reflect this position. Professor Passin's conviction that increased recognition of North Korea is necessary to retain a balance in Korea is interesting and reminiscent of Professor Tanaka Naokichi's similar strategy concerning South Korea in 1965.

FOOTNOTES FOR CHAPTER II

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37. Jo, p. 635.
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53. Yong C. Kim, pp. 10-12.
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### III. NORTH KOREA'S FOREIGN POLICY GOALS

#### A. NORTH KOREAN INTERNAL SECURITY

North Korea, as any other country, must secure an adequate degree of internal security to ensure her government's ability to function. For North Korea, the problems of adequate military strength, economic stability, and an orderly succession to leadership constitute the major facets of her internal security problem.

##### 1. Adequate Military Strength

The North Korean armed forces operate under the complete control of the Korean Workers Party and the President. The President is the supreme commander of the armed forces and the Chairman of the National Defense Committee--a division of the Central People's Committee.<sup>104</sup>

Historically, the North Korean armed forces have shown remarkable growth in manpower and capabilities. 1953-1958 was a period of military recovery from the Korean War. After the Chinese People's Liberation Army withdrew from North Korea, the North Koreans embarked on a campaign to regain the military balance on the peninsula. Specifically, the North Korean armed forces acquired their own military aircraft and increased their size from 275,000 to 583,000.<sup>105</sup>

In 1960, the relatively unstable Rhee government in South Korea was overthrown by Park Chung-hee, who established a strong and firmly-entrenched regime. The greater cohesion

and stability in South Korea was probably a major cause for increased North Korean military buildup, including the establishment of military alliances with both the Soviet Union and China in 1961. Table I compares the overall growth of the North Korean armed forces' hardware from 1959 to 1971--a growth which reflects great concern for maintaining military superiority.

TABLE I 106

NORTH KOREAN MILITARY HARDWARE:  
1959 AND 1971

	<u>1959</u>	<u>1971</u>
Tanks	730	1180
Surface to Surface Missiles	12	24
Amphibious Ships	0	150
Pontoon Bridges	250	420
Osa-I Patrol Boats	4	8
Aircraft	800	850

In December 1962, the trend toward greater military awareness and capability was articulated in the "Four Great Military Lines" adopted by the North Korean government: (1) convert all the people into armed troops, (2) convert all the regions and districts into fortresses, (3) convert all the military personnel into cadres, and (4) convert all the armed forces into modernized units.<sup>107</sup> Along with these "military lines" came an increased effort to expand heavy industry to equip the army, and a greater ideological thrust

in the armed forces. Front line installations and wartime mobility systems were also undertaken in an effort to upgrade North Korean military effectiveness.<sup>108</sup>

These programs have been successful in upgrading the defense capability of North Korea. Table II shows the present inventory of manpower and equipment which, by any interpretation, constitutes a formidable force-in-being. But the success of the "Four Great Military Lines" has not been achieved without severe sacrifice and great cost. From 1965 to 1974, the North Korean military budget has consumed an average of 13.6% of the gross national product (GNP), and the defense appropriation for 1976 totaled \$878,000,000, or 25% of the GNP.<sup>109</sup> Furthermore, the acquisition of Soviet tanks, naval craft and aircraft has underscored the North Korean dependence on the Soviet Union for military support. For future considerations, it is obvious that the North Korean military strength will be significantly affected by her overall economic progress. Therefore, economic development, including heavy industry, will become an increasingly important factor in her internal security.<sup>110</sup> Failure to develop her industrial base adequately will place an ever greater economic burden on the North Korean people if the present state of military preparedness and capabilities are to be maintained. It would also make North Korea increasingly dependent on foreign military assistance and, thereby, vulnerable to outside pressure.

TABLE II 111

## NORTH KOREAN ARMED FORCES: 1976

Total Armed Forces	495,000
Security Guards	40,000
Civilian Militia	1,800,000
Army	439,000
Tank Divisions	2 (with total 1180 T-55 tanks)
Armored Vehicles	200
Artillery Pieces	6,000
Navy	20,000
Osa-I Patrol Boats	8
Komar Patrol Boats	10
Subchasers	21
MGB's	50
PT Boats	150
Submarines	8 (W/R classes)
Air Force	45,000
Combat Aircraft	600
MIG 21/SU-7's	150
Light Bomber Squadrons	2 (with total 70 IL-28 A/C)

## 2. Economic Stability

The great military mobilization in North Korea has created some very serious economic problems. North Korea is faced with a shortage of labor due to the emphasis on military mobilization, a shortage of capital due to the lack of outside investment, a lack of technological know-how, and dependence on domestic savings for her economic base.<sup>112</sup> Yet, Kim il-Sung has stressed that economic construction must be conducted in parallel with the buildup of national defense. An editorial in Nodong Sinmun reflected this position: "Economic self-reliance provides a material foothold for political independence. Politics cannot be conceived without economics. Political independence which is not buttressed by a powerful self-reliant economy amounts to balderdash."<sup>113</sup>

In order to achieve economic growth, North Korea has embarked on numerous economic "plans." From 1946 to 1950, North Korea instituted a land reform act and nationalized the major industries. She also embarked on modest one and two-year economic "plans" to organize the economy, with aid from the Soviet Union. In 1954, following the Korean War, North Korea instituted a three-year economic plan aimed at postwar rehabilitation. This plan (from 1954 to 1957) was completed four months ahead of schedule with impressive results. Overall industrial output rose almost three times above the 1953 level, and the farm output in 1956 was 8% greater than was ever achieved under Japanese rule. Yet, much of this plan's success was due to the enormous amount of aid received from

the Soviet Union and China. The Soviet Union made a two-year grant of one billion roubles (\$250 million) and cut the outstanding loan balance to North Korea in half. The Chinese made a four-year grant of \$324,000,000 and considered all expenses incurred in the Korean War as a gift to the Korean people.<sup>114</sup>

Upon completion of the three-year economic plan, North Korea commenced a five-year economic plan (1957-1961) which placed priority on developing heavy industry. This pattern of economic development seemed to parallel the classic Soviet style. North Korea stated that the five-year plan was intended to completely do away with the colonial economic structure and replace it with the foundation for an independent socialist economy. In 1958, the agricultural collectivization program was completed. In 1961, the five-year plan achieved all its stated objectives;<sup>115</sup> however, due to the growing North Korean-Soviet dissolution during its later stages, Soviet aid was becoming increasingly harder to obtain.

In 1961 at the Fourth Korean Workers' Party Meeting, a seven-year economic plan was outlined which was designed to carry out the technical and cultural revolution simultaneously. Improvement of the North Korean standard of living, with growing emphasis on light industry and agriculture, were major points in this plan.<sup>116</sup> During this seven year period, the strain in North Korean-Soviet political relations became obvious, affecting the Soviet Union's willingness to supply economic assistance to North Korea. The Soviet Union, showing

her dissatisfaction with Pyongyang, increased the price of her exports to North Korea until they commanded prices higher than paid on the international market. Since China was heavily involved in the "Great Leap Forward" during this period, her ability to supply aid to North Korea was marginal, at best.<sup>117</sup>

Besides the economic problems generated by her reliance on China and the Soviet Union, North Korea embarked on her "Four Great Military Lines" during this period, incurring increased costs for the militarization campaign. The additional costs for armaments, manpower and resource re-allocation, essentially scuttled many of the economic gains hoped for under the Seven-Year Plan. By the end of the 1960's, military expenditure was about 30% of the GNP,<sup>118</sup> reflecting Kim il-Sung's inability to obtain adequate foreign economic assistance to support both his economic and military goals.

By 1967, the Seven-Year Plan had to be extended three years.<sup>119</sup> If North Korea's great military buildup was to continue, it was obvious that other sources of supply had to be established. The European market offered some promise, but the high transportation costs made it a temporarily unrealistic choice. Japan was the only other nation who could supply North Korea's required additional aid at reasonable costs. Significantly, in 1968 imports from Japan almost tripled. The plan, however, still could not be deemed a success.

In 1971, North Korea embarked on a six-year economic plan designed to strengthen the material and technological

foundation for socialism.<sup>120</sup> Since both Soviet and Chinese economic and military grants were officially terminated that same year, and military expenditures totaled 31% of the budget, Kim il-Sung stressed the need for technological innovation and modernization of equipment.<sup>118</sup> Furthermore, this six-year plan tacitly relied upon Western technology and capital, focusing upon Japan.<sup>121</sup>

In 1973 and 1974, the North Korean trade volume with Japan was unprecedently high. In this period Japan ranked second only to the Soviet Union in North Korea's trade volume.<sup>122</sup> In 1973, North Korea purchased 27 industrial plants worth \$375 million from Japan and the Western countries.<sup>123</sup> Appendix A details North Korean-Japanese trade during this period.

On September 23, 1975, the North Korean government announced that it had reached the goals of the six-year plan 16 months ahead of schedule. The announced statistics, however, showed that North Korea had attained only 92% of her goal for pig iron and granulated iron, 86% for steel, and 91% for cement.<sup>124</sup> Kim il-Sung, in his 1976 New Year's address, spoke of attaining the still unfulfilled targets of the six-year plan. Pak Song-chol, the State Administrative Council Premier, stated on September 8, 1977 that, "last year (1976) (we) attained proud and rewarding successes in completing the overall tasks of the six-year plan in all sectors of the people's economy."<sup>125</sup>

It appears that, in general, the six-year plan was successful. Japanese imports were extremely important in its success, however, and they were the subject of statements made by Kim il-Sung in an interview in August 1977:

... promoting trade between (North) Korea and Japan is beneficial to the peoples of the two countries. We wish for further development of trade between (North) Korea and Japan....The Japanese government should sell everything we want. However, it failed to do so....we ordered a large steel mill from Japan to implement the six-year plan. As a result, Japanese technicians visited our country for negotiations and a survey.... According to Western news reports, Japan has refrained from making a further commitment in this regard....<sup>126</sup>

For North Korea, ready to embark on a new seven-year plan in 1978, Japanese imports and technology continue to be very important. But in 1977 North Korea was saddled with a colossal international debt estimated to be \$1.3 billion for non-communist countries, and \$700 million for communist countries. Two major reasons for this great debt are: (1) the great percentage (20-30%) of the budget allocated to national defense, and (2) the falling world market for North Korea's chief export--non-ferrous metals. The most important creditor is Japan, especially since Japanese imports figure heavily in North Korea's future economic plans.<sup>127</sup> In March 1976, North Korea reportedly requested a two-year moratorium on the Japanese debt repayment. By September 1976, banking sources in Tokyo estimated the North Korean debt to be \$293 million, of which \$62 million was overdue.<sup>128</sup> In December, repayment terms were agreed upon, at a seemingly high interest rate of 7.75%.<sup>129</sup> In June 1977, North Korea again suspended her debt repayment to Japan, with an outstanding balance of \$220 million.<sup>130</sup>

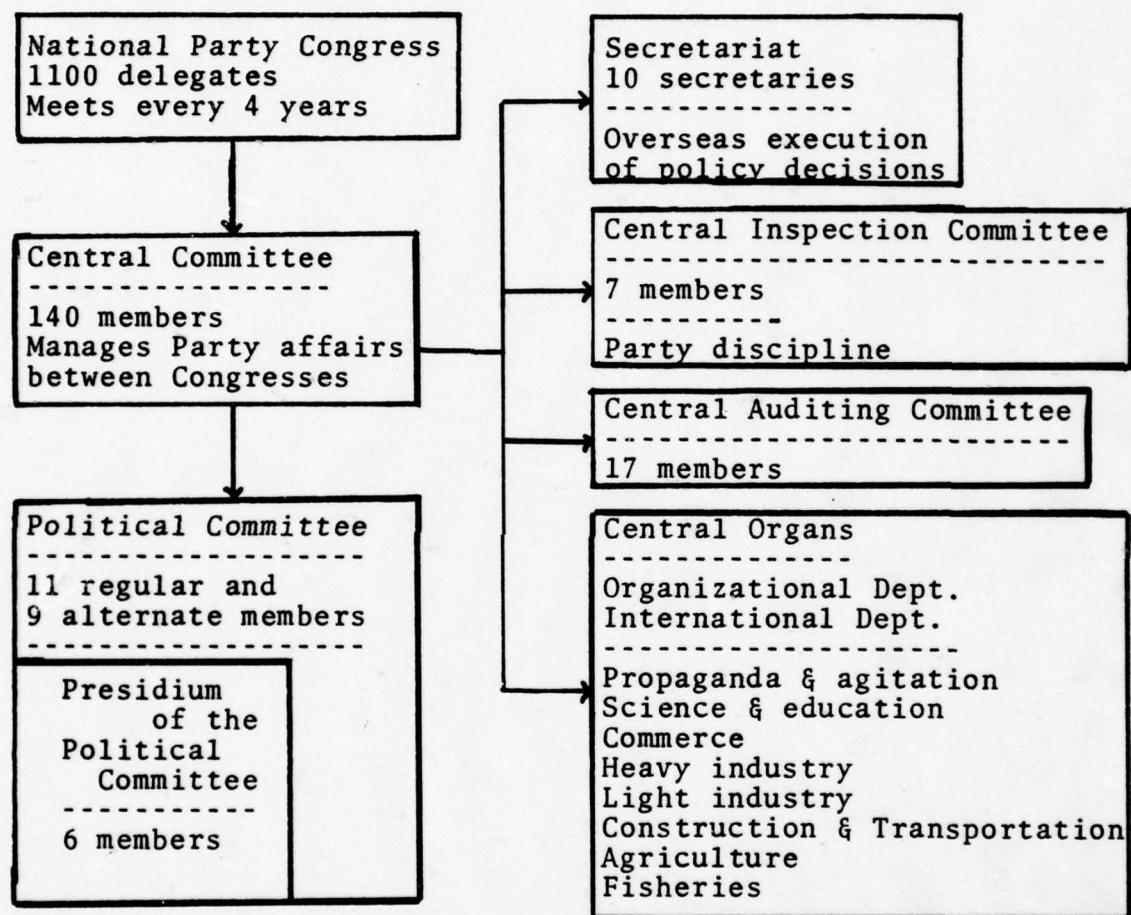
North Korea's international monetary woes were highlighted when several of her diplomats were asked to leave Denmark for smuggling. The Far Eastern Economic Review stated that these activities were ordered by the North Korean government in an attempt to obtain badly needed foreign exchange funds.<sup>131</sup> Whether this plan constituted such an attempt or encompassed a smaller-scale escapade on behalf of the officials concerned cannot be properly determined. The episode served, however, to embarrass North Korea publicly by emphasizing her economic plight. Solutions such as reducing military spending and approaching the Soviet Union for assistance on some sort of quid pro quo basis, while obvious, will not be undertaken unless her situation worsens. Most likely, North Korea will hope for rising worldwide prices for her export items, and embark on a campaign of greater austerity at home to solve her monetary problems.<sup>132</sup>

### 3. Succession to Leadership

Any long range solution to North Korea's economic problems is dependent upon the stability of her leadership. For this reason, succession is a most important internal security concern in North Korea.<sup>133</sup> As with the Communist Parties in China and the Soviet Union, no clear-cut successor can be identified, since succession to power involves intense political in-fighting among those few in a position to make a try for leadership. As Figure 1 shows, there are only six members of the elite Presidium of the Political Committee of the Party, but there are also five other Political Committee

FIGURE 1 139

ORGANIZATION OF THE NORTH KOREAN WORKER'S PARTY



members, plus ten secretaries and ten heads of the Party Central Organs, who might be powerful enough to engage in a post Kim il-Sung power struggle. Since there has been no leadership succession in North Korea's history, any attempt to predict Kim's successor would only be guesswork. A long and bitter power struggle could ensue with a myriad of possible outcomes, i.e., a pro-Soviet or pro-Chinese leader, a militant or conciliatory leader, a coalition, etc. Any power struggle would place North Korea in a position of internal instability.

Kim il-Sung, no doubt well aware of the crisis a succession struggle could precipitate, has attempted to insure the continuity of leadership by naming his son, Kim Chong-il, to be his successor. Since 1972 the cult of Kim il-Sung has reached great heights, apparently "proving" his wise leadership to be infallible. Should Kim's infallibility be accepted as fact, his son--his hand picked successor--should theoretically be accepted as Kim's legitimate successor.<sup>134</sup>

To enhance Kim Chong-il's position, Kim il-Sung has removed older leaders, replacing them with his son's contemporaries. Notably, Lim Chun-chu, a tutor of Kim Chong-il, was elevated in September 1975 from thirty-first to ninth on the Central Peoples' Committee. In April 1976, Kim il was transferred from the Premiership due to old age and replaced by Park Sung-chol. In May 1976, Defense Minister Choi Hyun was replaced by Oh Jin-wu.<sup>135</sup>

Whether the "selection" of Kim Chong-il, coupled with the elevation of his cronies to major positions of power in the Party and government, will forestall a succession crisis remains to be seen. Since May 1976, however, open opposition to Kim's choice of his son to succeed him has surfaced, and in general the replacement of older leaders in favor of Kim Chong-il's contemporaries seems to have ceased.<sup>136</sup>

Furthermore, open speculation that Kim Chong-il was somehow involved in the 1976 axe-wielding incident at Panmunjom has surfaced. Possibly to enhance his position as a strong nationalist, intensely opposed to the United States' troops in South Korea, he attempted to prove himself. The silence of the Soviet Union, China, and other allies abroad show the political disaster of the incident, and attempts to link it with Kim Chong-il are open manifestations of opposition to his emergence to leadership.<sup>137</sup>

After Kim leaves the scene, the debt problem may be resolved by searching for a more capable administrator than Kim Chong-il and abandoning Kim il-Sung's Chuche philosophy, siding with either the Soviets or Chinese.<sup>138</sup> The resulting reduction of military expenses and a more stable international financial position might be deemed to offset any loss of independence.

#### B. NORTH KOREAN EXTERNAL SECURITY

North Korea's foreign policy principles are formulated by the Supreme Peoples' Assembly--the elected governmental body. These principles are converted into hard policy in

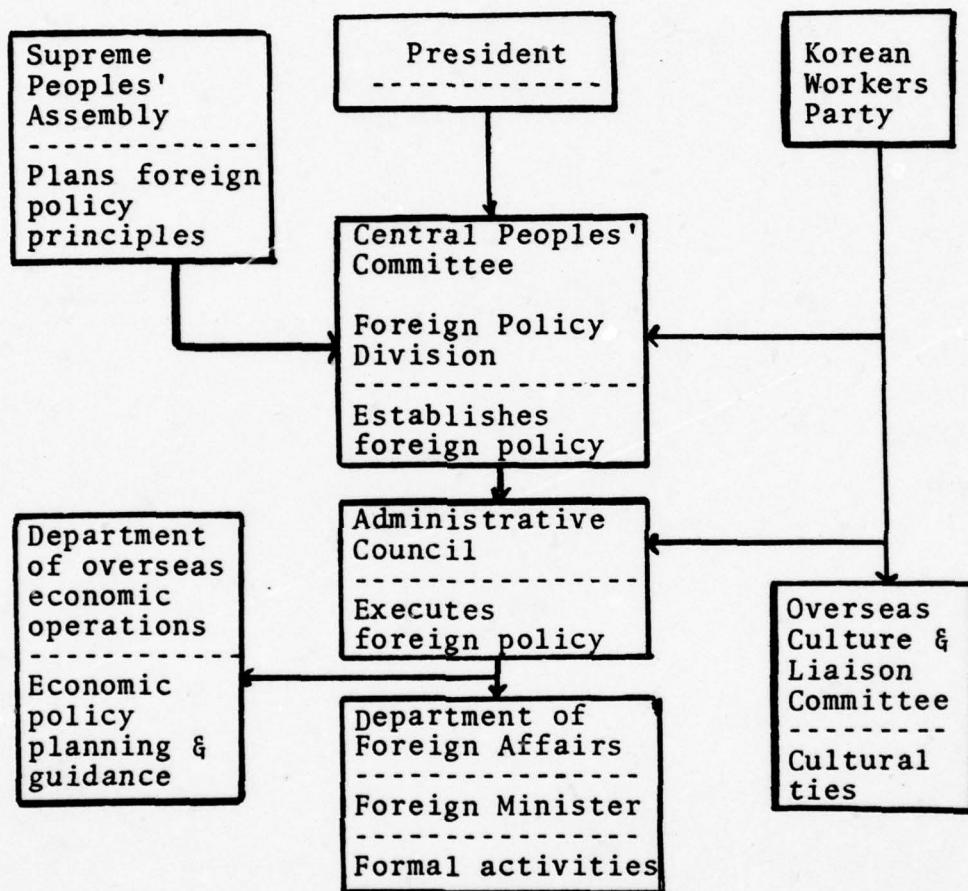
the Foreign Policy Division of the Central Peoples' Committee. This committee receives inputs from the Supreme Peoples' Assembly, the President, and the North Korean Workers' Party. North Korea's foreign policy decision-making process is illustrated in Figure 2.

Foreign policy execution is vested in the Administrative Council which, through the Department of Foreign Affairs, conducts foreign policy with those countries with which North Korea has diplomatic relations. The Department of Overseas Economic Operations conducts economic relations with those nations with which no diplomatic relations have been established. The Overseas Culture and Liaison Committee is an external Government and Party agent which promotes cultural ties with the countries where no diplomatic ties exist, especially the newly emerging nations. The high governmental and Party emphasis on the latter two organizations illustrate the great importance North Korea places on economic and cultural ties with those nations having no diplomatic relations with North Korea.<sup>140</sup>

The President of North Korea has the power to ratify and abrogate treaties, an authority, relatively speaking, greater than the Chairman of the Peoples' Republic of China.<sup>141</sup> Considering that Kim il-Sung is both the President and Head of the Korean Workers' Party, his ability to influence North Korea's foreign policy is practically absolute.

North Korea's most important allies are the Soviet Union and China, while South Korea and the United States are her

FIGURE 2  
NORTH KOREA'S FOREIGN POLICY  
DECISION-MAKING PROCESS



main protagonists. Japan, however, seems to occupy a position which, while not exactly friendly, is not exactly hostile either. North Korea, a "shrimp among whales," is trying to maximize her own security position relative to South Korea's. Primarily, her immediate objectives include forcing the removal of United States troops from South Korea, isolation of South Korea politically, and enhancing her own international position, especially in Japan and the Third world.

#### 1. The Soviet Union and China

North Korea's relations with the Soviet Union and China are based upon her position as a fellow communist nation and upon her ability to remain neutral in the Sino-Soviet rift. Izvestiya's statement that "... North Korea emerged today as an advanced socialist nation playing a major role among socialist countries"<sup>142</sup> underscores the fact that, politically, she is important to both the Soviet Union and China.

Until 1956 the Soviet Union was closely allied with North Korea, providing great amounts of aid and military assistance. In 1956, when at the twentieth Congress of the Communist Party of the Soviet Union the cult of personality was denounced and a peaceful means to socialism was approved, North Korea continued to support the Soviet Union. After the Moscow Declaration, calling for bloc unity in 1957, the Soviet Union became more critical of the North Korean five-year plan's divergence from the Soviet model, and the subsequent Chinese offer of economic assistance (and influence) in 1958 was most welcome.<sup>144</sup> The Great Leap Forward in the same year, while

abhorred by the Soviet Union, was respected and to some degree emulated in North Korea.<sup>145</sup>

As the paths of the Soviet Union and China seemed to diverge in the 1950's and 1960's, North Korea was able to retain the support of both while charting an independent, socialist course. In 1960 the Sino-Soviet rift was no longer a secret. North Korea continued her movement away from the Soviet Union, exhibited by her conspicuous absence, along with that of Mao Tse-Tung, from the Conference of 81 Communist and Workers Party in Moscow.<sup>145</sup> While this activity may be interpreted by some as decidedly anti-Soviet, it should more properly be viewed as a move by North Korea to establish her international independence, refusing to side solely with either the Soviet Union or China in their dispute. Significantly, North Korea signed treaties of Friendship, Cooperation and Mutual Assistance with the Soviet Union and China in July 1961.<sup>146</sup> No doubt the overthrow of the Singman Rhee government in South Korea prompted North Korea to secure such treaties, and the ensuing military buildup in North Korea required Soviet economic and military assistance. In October 1961, North Korea profusely praised the Soviet Union at the 22nd Soviet Communist Party Congress, while two months later she sided with China on the dispute over revisionism.<sup>145</sup>

This two-handed approach to the major communist powers was instrumental in securing adequate assistance to meet the goals of the five-year economic plan and upgrading North Korean national security through military assistance and alliances. The events of 1962, however, made North Korean

neutrality impossible. The Soviet Union, already faced with confrontation with the United States over Berlin, would not endorse the rampant anti-American rhetoric in Asia concerning the China-Taiwan and North-South Korean issues. Soviet aid to India during the Sino-Indian border dispute was an attempt to expand her national influence, to the detriment of China. Finally, the Cuban (Caribbean) Missile Crisis, in which the Soviet Union publicly backed down under United States pressure, caused North Korea to question seriously Moscow's willingness to defend her, should she be attacked.<sup>145</sup> In January 1963, a bitter Nodong Sinmun editorial declared:

All fraternal parties are independent and equal and shape their policies independently in keeping with the principles of Marxist-Leninism and proceeding from the specific conditions of their countries. There are big countries and small countries, but there is no high party and low party. Precisely for this reason, no party should interfere in the internal affairs of other fraternal parties or exert pressures on them, force their unilateral will upon them and slander them.<sup>147</sup>

When all Soviet military assistance had ceased in 1962,<sup>144</sup> North Korea embraced China as her major ally, stopping short, however, of total denouncement of the Soviet Union.<sup>148</sup> By 1964, Chinese-North Korean relations had reached their zenith, but when Khrushchev fell from power later that year North Korea's position became less vitriolic toward the Soviet Union.<sup>144</sup>

In February 1965, Soviet Premier Kosygin paid a surprise visit to Pyongyang. During his visit, Kosygin stated that "imperialist intrigues" were the real cause for dissension in the Communist movement, and he urged strengthening

the Soviet-North Korean "fraternal" relationship.<sup>149</sup> North Korea, experiencing severe economic setbacks due to the Soviet Union's unwillingness and China's inability to supply economic assistance, was suddenly faced with the strong possibility of Japanese-South Korean normalization of relations. Such a development could mean great Japanese economic assistance, in addition to the United States' military assistance to South Korea. Without adequate economic and military aid, North Korea would be far outstripped economically and militarily by South Korea, even though North Korea was, at that time, still in a superior position. In May 1965, Soviet military aid to North Korea was resumed with the signing of a military assistance pact.<sup>144</sup> In June 1965, true to North Korea's fears, a Treaty of Normalization of Relations between South Korea and Japan was signed. By June 1966, North Korea had denounced "narrow-mindedness" and signed an economic and technical cooperation agreement with the Soviet Union. The turnaround in bloc relations seemed complete when North Korea attended the 23rd Soviet Communist Party Congress, receiving Chinese criticism for her action.<sup>144</sup>

The period 1967 through 1969 saw little change in North Korea's position relative to the two major powers, while the two powers became more deeply embroiled with each other. In January 1967, the Red Guards blocked the Soviet Embassy in Peking and Chinese students left Moscow in February. The now open hostility between Peking and Moscow undoubtedly made North Korea uneasy. The 1968 Soviet invasion into

Czechoslovakia was considered an exercise of "hegemony" by China, while the open Sino-Soviet confrontation over Damansky Island in 1969 was watched intently worldwide. In September 1969, China conducted her first two nuclear tests in Sinkiang Province.<sup>150</sup> North Korea was now bordered by two "nuclear" nations, each eliciting hostility toward the other.

In April 1970, China's Premier, Chou En-lai, visited Pyongyang in an effort to patch up the deteriorating relations between the two countries. Chou voiced a strong anti-Japanese line, exploiting the Japanese-South Korean relationship which had been recently magnified by the Nixon Doctrine and the reversion of Okinawa to Japan. While Soviet troops along the Chinese border had assumed alarming proportions, China could well have been concerned about further Soviet influence in North Korea.<sup>151</sup> The possible Soviet-Japanese efforts toward a Siberian development venture were also a mutual concern of North Korea and China. Chou's visit seemed to bring less troubled relations between North Korea and China, and the press releases seemed to show that China's popularity in North Korea had outdistanced the Soviet Union's.<sup>152</sup> Still, Soviet trade to North Korea amounted to about one-third of a billion dollars, accounting for 70% of North Korea's total foreign trade.<sup>153</sup>

While China's popularity was resurgent vis a vis the Soviet Union, China and Japan normalized relations in September 1972. This action reminded North Korea that she was, indeed, a small player in big-power politics. Her continued neutrality

in the Sino-Soviet dispute emphasized her need for military support, economic support, and close ties with her two powerful Asian neighbors.

Presently, the Soviet Union's popularity in North Korea is relatively low. Such recent Soviet initiatives as the invitation of South Koreans (1977) to participate in Soviet athletic events and other cultural exchanges have been the subject of bitter North Korean protest and boycott.<sup>154</sup> From the Soviets' standpoint, Kim il-Sung's personality cult is reminiscent of Stalinist times, and the aggressive, destabilizing foreign policy goal of reunifying Korea is not deemed to be in the Soviet Union's national interest. Even in denouncing South Korean-United States "war hysteria," the Soviet Union is cautious. Speaking of such hysteria as a threat to those who "truly want to see a fair solution of the Korean question and the guarantee of a durable peace in this area of the Far East," the Soviets are careful not to provide North Korea with unconditional support.<sup>155</sup>

When North Korea captured the USS Pueblo in 1968 she was supported openly by China, but the Soviet Union failed to back her. The 1969 downing of a United States EC-121 reconnaissance aircraft received only weak Chinese support.<sup>144</sup> Yet, the 1976 axe-wielding incident at Panmunjom garnered absolutely no support from either China or the Soviet Union. This unmistakable trend emphasizes North Korea's diplomatic isolation when she confronts the United States with violence. Furthermore, it suggests the lack of support she can expect should

she embark on a forceful Korean reunification campaign.<sup>156</sup> The smuggling incident in Scandinavia further labeled North Korea as an embarrassing ally to both China and the Soviet Union, most likely to be manifested in measured future support. This support would be conditional upon North Korea's loyalty and adopting a policy of increased restraint in her relations with the United States and South Korea.

## 2. South Korea and the United States

North Korea's foreign policy objectives concerning the United States and South Korea were enunciated in 1961, in the preamble of the North Korean Workers' Party's Fourth Congress: "... the immediate objective of the party is to secure the complete victory of socialism for the sake of fighting against imperialism and feudalism and laying the groundwork for the construction of a communist society throughout the Korean peninsula."<sup>157</sup> The preamble reflects a deep hostility toward the United States and an aggressive policy toward South Korea.

Both North and South Korea publicly desire unification, but no common ground has yet been found upon which a feasible formula could be negotiated. North Korea attempted to build a revolutionary base in South Korea prior to 1950 and, as a militarily superior country, attempted a forceful reunification of Korea from 1950 to 1953. Subsequent to this unsuccessful attempt to reunify Korea, Pyongyang relied upon psychological warfare, interspersed with infiltration and local violence to precipitate a communist revolution in the South.

North-South relations from 1954 to 1960 were relatively amiable, however, as contrasted with the 1962-1968 period which was one of general hostility and increased North Korean military buildup. Notably, in the 1962-1968 period the North Korean reunification effort had no planned program. The effort consisted of random appeals to national sentiment, agitation of the South Korean people to revolt, and propaganda claims of the superiority of socialism.<sup>158</sup> Since 1968 the relations between North and South Korea have not generally improved, but North Korea, however, has pursued her goal of reunification by establishing a solid program, concentrating on increasing her own economic development, attempting to isolate South Korea diplomatically, and cultivating political support in the non-aligned nations.<sup>159</sup>

In 1960, Kim il-Sung called for "free general elections throughout North and South Korea on a democratic basis without any foreign interference. This is our consistent stand on the question of national reunification."<sup>160</sup> South Korea's Singman Rhee insisted that the elections must have international supervision. The United States, as the only foreign power in Korea, supported Rhee's position.

Kim il-Sung, acting as the only true Korean nationalist, has continued to press for reuniting Korea, peacefully and with no outside intervention. If nationwide general elections could not be agreed upon, Kim proposed the establishment of an interim confederation.<sup>161</sup> He insisted that South Korea is only a fledgling capitalist state whose

capitalism is national in nature, and therefore the two different political philosophies could be peacefully reconciled in a confederation.<sup>162</sup>

South Korea, embracing a strong anti-communist philosophy, was finally realizing real economic growth in the 1960's. Bolstered by the strong military support of the United States, South Korea showed absolutely no inclination to conspire with the North Korean regime. Most probably the South Korean leaders were as nationalistic as the North. Their strength, in striving to ensure the endurance of any resulting unified Korea, was increased with the passage of time. United States troops were a strong in-place deterrent against North Korean aggression and with United States approval of South Korea's strategy toward Pyongyang, Seoul was content to maintain the status quo while building her economic and military strength. Furthermore, North Korea's insistence upon removing all United States troops from Korea was interpreted as a thinly disguised effort to dispose with the deterrent in order to embark on another military campaign to unify Korea.

South Korea remains intent on negotiating only from a position of strength, willing to wait until militarily and economically she has surpassed the Pyongyang regime. Table III shows the current strength of the South Korean armed forces.

TABLE III

SOUTH KOREAN ARMED FORCES - 1976<sup>163</sup>

Total Armed Forces	595,000
Local Defense Militia	750,000
Army Reserves	1,000,000
Army	520,000
Armored Brigades	2
Airborne Brigades	5
Missile Battalions	3
Navy	25,000
Destroyers	7 (120 harpoon missiles on order)
Escorts	23
PT Boats	44
Minesweepers	12
Amphibs	70
Marines	20,000 (one division)
Air Force	30,000
Combat Aircraft	204
Fighter Squadrons	10 (4 with F-4/E's; 4 with F-5 A/E's; 2 with F-86's)
Recon. Squadron	1 (with 12 RFSA's)

South Korea's position on unification is evident in Park Chung hee's interview with Le Monde:

Even if we have to wait a long time for reunification we totally reject achieving it by violence .... We believe that peaceful reunification is to all intents and purposes unattainable in the near future.<sup>164</sup>

When asked how unification should come about, Park replied:

"Reunification should be carried out by means of free elections in the North and the South, taking into account population proportions."

Le Monde: "If population proportions are taken into account, that would mean the end of the North Korean regime."

Park: "That could be one of their reasons for refusal."<sup>164</sup>

It is easy to see that in the face of North Korean pressure for reunification, or even confederacy, the South Korean hesitancy to embrace any plan appears to be pure intransigence. South Korea's insistence that United States troops remain in Korea is based on her desire to guarantee Korean stability. North Korea, however, portrays the foreign troops on Korean soil as constituting collusion between a southern "puppet" regime and United States imperialists to keep Korea divided.<sup>165</sup> This theme appears incessantly in the North Korean press. Kil il-Sung's Chuche principle further enhances his own position as a true Korean patriot, relying on Korean nationalism to solve Korea's problems.

North Korea is also quick to point toward United States military exercises staged from Okinawa and the Seventh Fleet as indications of aggressive attitudes toward North Korea. A recent "civilian defense drill" held in South Korea was called provocative by the North Korean press.<sup>166</sup>

United States troops in South Korea have undoubtedly been a stabilizing factor on the peninsula, but they have also been a major impediment to Korean unification. Successfully deterring any attack into South Korea, they have permitted her to concentrate on her economic development while maintaining a much lower per capita defense budget than the North.

In all the North Korean proposals for reunification, removal of the United States troops from Korea must be the initial step. In 1965, Kim il-Sung put forth three points to reduce tension in Korea: (1) withdraw United States troops, (2) North and South Korea conclude a peace agreement, and (3) reduce North and South Korean armies to 100,000 men. The importance of the United States troops was further underscored when Kim il-Sung offered to terminate the security pacts with the Soviet Union and China if South Korea would do likewise with the United States.<sup>167</sup>

Kim's proposals have propaganda value, of course, but there is more to it than that. In a 1977 Nodong Sinmun editorial it was stated: "The occupation of South Korea by the United States imperialists and their policy of aggression on Korea are the basic obstacles to Korean reunification and the principal cause of menace to peace on Korea and Asia."<sup>168</sup> North Korea undoubtedly feels that the United States, by her presence in South Korea and support of Park Chung-hee, is deliberately and purposefully impeding Korean unification, attempting to cement a permanent 2-Korea's settlement.

Furthermore, should any uprising in the South come about, these United States troops, in collusion with the South Koreans, could take action against the North. In other words, the North Koreans perceive a foreign military power on Korean soil, poised at North Korea. This constitutes an overt threat to her security.<sup>169</sup>

The continued intensity of the North Korean argument that United States troops must leave South Korea reflects Pyongyang's fear that these troops do, in fact, present a threat to her security and to Korean nationalism: "Let us decisively smash the '2-Koreas' plot of United States imperialism and its stooges to keep our nation split forever."<sup>170</sup>

In a 1972 New York Times interview, Kim il-Sung pointed out that North Korea is in a de facto state of war with the United States. The American military presence in South Korea was responsible for the North Korean military buildup, which in turn slowed down the rise in the North Korean living standard.<sup>171</sup> Kim declared furthermore that United States troops must withdraw from South Korea before even cultural exchanges can be made between these two countries. Recent North Korean attempts to replace the armistice with a peace agreement were predicated upon the troop withdrawal as a pre-condition. Even this strong desire to establish some formal ties with the United States must follow the primary objective--removal of the United States troops.<sup>172</sup>

North Korean attempts to force government-to-government contact with the United States, enhancing her international

position, have drawn highly critical reaction by South Korea who does not wish to see her position as the only "legal" government on the Korean peninsula undermined. When the USS Pueblo was seized by North Korea in 1968, direct negotiations between the United States and North Korea were made, causing South Korea to condemn United States' actions.<sup>173</sup> The 1977 helicopter incident was closed when United States military officers, under the United Nations Command, signed receipts for the bodies of the dead men and the survivor from the North Korean and Chinese People's Armies. Again, South Korea was concerned that the United States was too soft on North Korea, and was worried that North Korea would successfully negotiate directly with the United States.<sup>174</sup> The North Korean press spoke of the transfer as if direct government relations had already been established: "The U.S. Army crewman and the bodies of the dead were transferred to the enemy side thirty minutes later than the scheduled time owing to the U.S. side's delayed typewriting of the receipt."<sup>175</sup>

North Korea also argues that a United States-North Korean peace treaty should be signed, without South Korea's presence during negotiations.<sup>176</sup> Such a development would be a political coup for North Korea at great loss to Seoul.

In June 1977, Secretary of State Vance put forth four major points describing the United States policy toward North Korea:

- (1) Support for simultaneous North-South admission to the United Nations.

- (2) If North Korea's allies seek to improve relations with South Korea, the United States will seek to normalize relations with North Korea.
- (3) Negotiations for replacing the armistice with a lasting accord; and
- (4) The United States will participate in any negotiations so long as South Korea is present.<sup>177</sup>

President Carter's pronouncement that United States troops will be withdrawn from South Korea because they are no longer required was obviously viewed with relief in North Korea. The North Korean downing of a United States army helicopter on July 14, 1977 illustrated the possible volatility of a relatively minor incident. The unusually mild line taken by North Korea, including the quick return of the survivor, was most likely due to her intent not to jeopardize the troop withdrawals.<sup>178</sup> The usually vociferous press reports also reflected this conciliatory position:

Whether it was an intentional or unintentional intrusion of the United States' forces helicopter into the area of our side, if they had complied with the demand of our side and had not attempted to flee... such unhappy incident would not have occurred.<sup>179</sup>

The recent North Korean declaration of a 200-mile economic zone was sharply denounced in Seoul. The greatly expanded and modernized South Korean fishing fleet could suffer the same fate as the small fishing boat that strayed into North Korean waters and was captured in August 1976.<sup>180</sup> The South Korean government called it an action designed to change the status quo, which had been maintained since 1953. Her declaration that she would protect her fishermen operating in the economic zone in July 1977 was followed by the North Korean

statement in August that she will "permit South Korean small fishermen to peacefully carry out fishing operations within our economic zone."<sup>181</sup> While the VRPR, a clandestine radio station monitored in South Korea, said the South Korean fishermen hailed North Korea's lifting of the fishing restriction, the Seoul government's claim that Pyongyang still holds 32 boats and 405 fishermen shows that the issue of economic boundaries remains volatile and unsettling.<sup>181, 182</sup>

To complicate further the relations between North and South Korea, the Pyongyang government has declared a 50-mile military boundary--in effect, pushing her sovereignty 50 miles seaward. South Korea immediately denounced the action and sailed a ferryboat from Inchon to the Paengyong-to Islands, within the zone, without incident.<sup>183</sup> As the only country to declare such a zone, North Korea's motives seem to reflect her uncomfortable feelings relative to her own security. North Korea undoubtedly feels threatened by a hostile southern neighbor, growing more powerful daily, who is protected by a United States military "tripwire." While in the United States this "tripwire" is viewed as a deterrent against a North Korean invasion into the South, the North Koreans are genuinely concerned that any outbreak of North-South hostilities would involve the United States. Furthermore, with aid and assistance from the Soviet Union and China becoming more "qualified," North Korea, extremely concerned about the "destabilizing" influence of the United States troops, resorted to the 50-mile military boundary purely as an attempt to increase her own

defensive posture.<sup>184</sup> Its non-negotiability in the Pyongyang-Tokyo private fisheries talks seems to confirm this evaluation.

South Korean-United States relations have become more suspect in recent years due to growing opposition to the repressive Yusin Constitution and the opposition to United States troop withdrawals. In 1972, the South Korean regime instituted martial law, becoming openly more repressive toward political dissidents. As early as 1963, however, Park Chung-hee stated that, "The United States must understand that the West European style of democracy is not suited to Korea."<sup>185</sup> Professor Kim Hyung-il, the President of the Korean Association of Southern California and a strong supporter of Park Chung-hee, is an ardent defender of the internal policies instituted under the Yusin Constitution. He argues that South Korea has national determination, motivation, and a strong ideological stand against communism. In fact, South Korea needs these qualities to survive, and no criticism of the government is warranted.<sup>186</sup> Even opposition leader Yi Chol-sung defended the Yusin system, stating that the anti-communist law and other restrictive measures are necessary in South Korea, so long as North Korea exists.<sup>187</sup>

These repressive policies have resulted in numerous arrests of students and opposition leaders. One count showed 300 political prisoners are still in South Korean jails. The fact that 14 dissidents were released in 1977 may show South Korea's recognition of its international obligations of human rights.

Still, these policies might have been condoned had the South Korean government confined her activities within her own borders. However, the so-called Tong-son Park affair has strained the relationship between the two governments. Tong-son Park, a South Korean businessman, was indicted in 1977 for influence-buying, i.e., bribing U.S. legislators. When Tong-son Park fled the United States and reappeared in Seoul, the South Korean government was asked to extradite him to the United States. The subsequent refusal, based on absence of an extradition agreement, served to inflame anti-Seoul sentiment and caused speculation that the KCIA was somehow involved.

Even in 1978 the two governments are attempting to find a middle ground upon which Tong-son Park can testify without being liable to prosecution. Former South Korean opposition leader, Kim Yong-sam, stated, "The government should set a line under which it can cooperate with the United States in a way to put an early end to the case instead of giving the impression that Pak Ton-son is equal to the government."<sup>189</sup>

The withdrawal of American ground troops from South Korea, undertaken during this period of strained relations, must be carefully conducted to avoid the appearance that it was done in response to the South Korean government's internal policies or possible duplicity in the Tong-son Park affair. Defense Minister So Chong-chol, downplaying the troop removal, stated that he felt the United States would dispatch ground troops to Korea in the event of another Korean War, but that

the speed of the response would depend on the urgency of the situation.<sup>189</sup> Park Chung-hee, aware that he will still retain strong American military support after the troop withdrawal, has orchestrated his feelings that the removal of the "trip-wire" does, in fact, weaken Seoul's position. The United States, eager to emphasize her support for Seoul, has readily agreed to provide South Korea with \$1.9 billion in military aid to compensate for the United States Second Infantry Division.<sup>190</sup>

While the argument can be made that the United States troop removal can make President Park more vulnerable to political and para-military pressure, it seems that his regime is strong enough to survive and, as the only anti-communist rallying point in Korea, he may be able to further consolidate his power.<sup>191</sup>

Park has also utilized United States' fear of a destabilizing situation in Korea to push hard for reaffirmation of the United States nuclear deterrent commitment to Seoul. In a New York Times interview, Park stated that South Korea would not hesitate to develop a nuclear capability if the American nuclear umbrella were withdrawn.<sup>192</sup> Even though Seoul signed the non-proliferation treaty, she is starting to talk more openly about a nuclear option.

South Korea has made some political initiatives on her own in an attempt to gain greater recognition in the communist world. Presently, she is concentrating on improving relations with the Soviet Union and Eastern European countries.

Quite openly, South Korea would like to see a Soviet embassy in Seoul. Such a development would symbolize the Soviet Union's refusal to back North Korea in an attempt of reunification by force.<sup>193</sup> Furthermore, in return for Soviet diplomatic recognition, South Korea would probably agree to a United States-North Korean non-aggression pact. Both countries could benefit from such an event and, since privately the Soviet Union favors a "German" solution to the Korean question, tacit recognition of the South Korean state already exists.<sup>194</sup> South Korea would like to purchase Soviet timber outright, and since the Soviets' 200-mile economic zone excludes South Korea, presently no fishing agreement can be signed because no diplomatic avenues for negotiation are open.<sup>195</sup>

The seaport at Vladivostok, with its rail connections to Europe, is a potentially valuable port for South Korean business interests. Presently South Korea, using third country ships, brings export commodities into Vladivostok and then, using the Trans-Siberian railroad, sends them to Europe. Since South Korea is attempting to increase the use of her own ships to counter her balance of payments difficulties, an agreement to bring South Korean ships into Vladivostok must be worth some political concessions.<sup>196</sup>

### 3. Japan

Japan and North Korea have no diplomatic relations, but Japan's attractiveness to North Korea has been evident for many years. Politically, North Korea must rely on Koreans

resident in Japan and her appearance of gaining international acceptability to influence Japanese policy. North Korea would like to reduce Japan's support for South Korea while obtaining Japanese technology and economic assistance, but even a neutral Japan, not economically and militarily aligned with South Korea, would be attractive.<sup>197</sup>

In 1956, North Korea commenced overtures toward Japan, relying of necessity upon people-to-people diplomacy. She believed that if Japan were to improve her relations with the Soviet Union and China, North Korea would have a much better opportunity to secure Japanese rapprochement. Such a series of events would decrease Japan's dependence on the United States, elevating the overall North Korean security position by downgrading U.S. military presence.<sup>198</sup> This optimistic feeling toward rapprochement faded by 1958, however, when Japan openly considered recognizing South Korea as the sole legitimate government on the Korean peninsula. Also, North Korea feared that an exclusive Japan-South Korean liaison would bring great economic gains to South Korea.<sup>199</sup>

Relations between North Korea and Japan became more tenuous until the Japan-South Korean Treaty of Normalization was signed in 1965; then they deteriorated. North Korea contended that governmental ties could not be effected until Korea was united. Furthermore, the North Koreans reserved the property claims and rights to compensation for the 36 years of Japanese rule in Korea. Finally, the South Korean-Japanese agreement on the legal status and treatment of

Koreans in Japan, effected in conjunction with the treaty, was deemed unjust and discriminatory toward North Korea.<sup>200</sup> In later years, North Korea softened her stand on unification, but declared that Japan must abrogate the Japan-South Korea treaty prior to normalization of relations with North Korea.

When the North Korean ballet visited Japan in January 1971, it signaled a thaw in Pyongyang-Tokyo relations.<sup>201</sup> By September, probably in response to President Nixon's China overture, Kim il-Sung pushed again for closer North Korean-Japanese ties. Kim said that establishment of relations between the two countries was entirely up to Japan.<sup>202</sup> In November 1971, the North Korean Workers' Party Conference decided upon "the tactical changes for the immediate problems"--a positive policy toward Japan by which North Korea would seek to normalize relations with Japan and shortcut South Korean-Japanese relations.<sup>203</sup> Also in November, Kim il-Sung stated three principles for normalization of relations:

- (1) Removal of discrimination toward pro-North Koreans in Japan,
- (2) Non-interference with the Korean Peoples' efforts for peace on the Korean peninsula, and
- (3) Non-intervention in Korea's internal affairs.<sup>204</sup>

In 1972, a five-year private agreement on trade was signed by the Committee for Promotion of International Trade and the Chairman of the Dietman's League for Promotion of Japanese-(North) Korean Relations. This agreement, the first of this kind signed by North Korea with a non-communist country, called for increasing the bilateral trade volume and establishing trade representatives in each country.<sup>205</sup>

When North Korean Vice Premier Park Sung-chol stated, in 1972, that North Korea was willing to normalize relations with Japan without abrogation of the South Korean-Japanese Treaty, it became clear that North Korea was practically begging for an equi-distant Japanese policy. Pyongyang's concession, a major change in North Korea's position, was tendered again by Kim il-Sung in February 1973.<sup>206</sup>

During this period North Korea repeatedly called for Japan to remove her one-sided trade policy toward South Korea and accept an "unbiased" policy. Furthermore, North Korea demanded that the Koreans resident in Japan be given the right to a national education, the right to (North Korean) repatriation, and the right to travel to and from the homeland.<sup>207</sup> Pyongyang's public proclamations reflected her dual line of approach toward Japan: she would attempt to convince Japan to move away from a one-Korea trade policy, and attempt to secure greater rights for (and influence of) the Koreans resident in Japan. This group, substantial in number, would be a major link between North Korea and the leftist parties in Japan.

Without normal diplomatic relations, North Korea has had to rely on private agreements between the two countries and on those Japanese sympathetic toward North Korea to foster closer ties. When Minobe Ryokichi, the Socialist Governor of Tokyo, visited Kim il-Sung in October 1971, Kim utilized the meeting to push hard for increased trade relations, acknowledging that normalization of political relations would be a long time in coming.<sup>208</sup>

Other "friendly" groups in Japan include the Dietmen's League, the Japan-Korea Friendship Group, and the Japan-North Korea Trade Association. These groups, while pushing for closer North Korean-Japanese ties, also proclaim their support for Kim il-Sung's nationalistic goal of a united Korea. Each group, in its public proclamations, systematically denounces the "2-Koreas" plot of "reactionaries and militarists," calling for increased Japanese economic and political ties to North Korea.<sup>209</sup>

Besides the Dietmen's League, the General Federation of Korean Residents in Japan (Chosoren) constitutes the most organized and intensive North Korean lobbying effort in Japan. This entire group of 650,000 Koreans is divided into two factions: about 400,000 Koreans are loyal to South Korea (Mindan), and 250,000 are loyal to North Korea (Chochongnyon). This latter group figures very highly in Pyongyang's foreign policy toward Japan, having received over \$70 million in North Korean aid by the end of 1976.<sup>210</sup>

The Chochongnyon carries out numerous functions for North Korea. As a lobbying group, it promotes those goals beneficial to North Korea, such as a pro-North Korean trade policy, and enlisting the support of the leftist parties in Japan. It also attempts to enhance its own position within the Chosoren at the expense of the Mindans. The Chochongnyon, as a vital link between North Korea and the Japanese leftist parties, provides the Korean counsels and general propaganda needed to promote normalization of relations. It also acts

as a conduit for the arrangements of influential and sympathetic Japanese visitors to North Korea. In 1973, the Chochongnyon established the Korea-Japan Export-Import Co., which functions as North Korea's trade mission in Japan.<sup>210, 211</sup>

Some members of the Chochongnyon travel to North Korea to consult with government officials, while others simply are allowed to visit their homeland. On October 16, 1977 the 36th and 37th groups of Chochongnyon visited North Korea, receiving a warm reception and the latest North Korean propaganda.<sup>212</sup> Recently, for the first time North Korean government officials attempted to enter Japan in order to take part in a Chochongnyon meeting. The Japanese Justice Ministry, however, turned down the visa applications because their entry was determined to be aimed at conducting political activities in Japan.<sup>213</sup> Their involvement in numerous facets of politics, trade, and propaganda show their importance to Pyongyang.

The Chochongnyon serve a second major purpose; namely, of conducting subversive operations targeted against South Korea. The unsuccessful assassination attempt of President Park, in which his wife was killed, was allegedly conducted by a group of Chochongnyon. As late as October 29, 1977, the South Korean press reported a South Korean national from Japan was sentenced to life imprisonment for espionage in South Korea. The 21-year old student at Seoul National University was reportedly acting under the instruction of the Chochongnyon.<sup>214</sup>

The recent North Korean proclamation of a 200-mile economic zone and a 50-mile military zone has seriously threatened the Japanese fishing industry. Kim il-Sung, ready to commence any dialogue with Japan, said "We need to hold a discussion with officials concerned" to resolve any differences between the two governments.<sup>215</sup> Japan, willing only to conduct private talks with North Korea, dispatched a delegation from the Dietmen's League to carry out the full-scale negotiations concerning Japanese interests in these waters.

North Korea's handling of these talks showed that she was well aware that Japan, with growing pro-North Korean leftist support at home, coupled with the prospect of being denied the use of lucrative fishing grounds by North Korea, was vulnerable to government pressure. North Korea wanted a diplomatic breakthrough in these talks to be provided by the Japanese government in the form of formal signing of a fisheries pact, or at least Japanese governmental endorsement of a private agreement.

The talks commenced with the North Korean Cultural Committee's assertion that, "it will be possible to sign an agreement between private organizations," but with a guarantee by the Japanese government.<sup>216</sup> Prime Minister Fukuda assured a worried South Korean opposition leader, Yi Chol-sung, that any such agreement between North Korea and Japan would be private in nature, without Japanese government guarantees.<sup>217</sup> On September 6, 1977, the talks foundered on this point and an interim agreement was signed between the Dietmen's League

and the North Koreans. The interim agreement allowed small Japanese fishermen to operate within the economic zone, but not within the military zone, until June 30, 1978.<sup>218</sup> This interim agreement served to demonstrate North Korean good will toward Japan for the present, but placed on record her determination to obtain some sort of government-to-government interaction with Japan in the near future. Surely this immediate solution will allow Japan to determine whether access to these fishing grounds is worth some sort of public recognition of North Korea. The fact that Japan was informed of the blanket restriction to these waters via direct message between North Korean patrol craft to a Japanese fishing boat, points out the predicament in which Japan finds herself in trying to resolve crucial problems with a nation with which no diplomatic ties exist.<sup>219</sup>

#### 4. The Third World

Concerning North Korean relations with Third World countries, a general trend of economic and cultural contacts, followed by visitors, negotiations for counselor relations, and an exchange of ambassadors has been employed.<sup>220</sup> This strategy has been successful to a point. As of August 1977, North Korea had gained diplomatic relations with 138 nations, while South Korea had such ties with 142. But only one country, Togo, has broken diplomatic relations with South Korea to establish them with the Pyongyang regime. Furthermore, 47 countries have diplomatic relations with both Koreas.<sup>221</sup>

As a member of the Conference of Non-Aligned Nations, North Korea achieved a major diplomatic victory in August 1976

when the Conference approved a North Korean resolution calling for the immediate cessation of war preparations in South Korea, removal of United States troops and nuclear weapons from South Korea, and replacement of the Korean armistice with a peace agreement.<sup>222</sup>

North Korea's admittance to the International Civil Aviation Organization in Montreal was one of three major diplomatic successes for her in the month of September 1977.<sup>223</sup> From September 10-14, North Korea hosted an international seminar on Chuche, which was attended by delegates from 73 nations and four international organizations. The ensuing declaration denounced the "criminal United States-South Korean 2-Koreas policy."

On September 22, 1977 North Korean Foreign Minister Ho Tam was granted an entry visa to the United States to participate in the Foreign Ministers Conference of Non-Aligned Nations, opening in New York on September 26.<sup>225</sup> South Korea was very critical of the visit and, even though Ho Tam met with United Nations General Secretary Kurt Waldheim and hosted a reception, the South Korean press pointed out that he had made no direct ties with the United States and his reception was attended by only 250 of the 2000 invited guests.<sup>226</sup>

These diplomatic successes did not offset such spectacular diplomatic embarrassments as the Scandinavian smuggling affair and the Panmunjom axe-wielding incident. They did, however, illustrate that North Korea is actively engaged in Third World diplomacy, and she is making progress in her quest for Third World recognition and influence.

### C. SUMMARY

North Korea has many serious problems stemming from her internal and external situation. Internally, North Korea exists in a delicate position. Insisting on an effective yet expensive armed force, she has sacrificed the economic welfare and standard of living of her people. A reduction of military spending with or without increased trade with the West could be considered only within the context of improved relations with South Korea and the United States. Increased trade and the technology it would bring is desirable, but it is predicated upon the removal of United States troops from Korean soil. Japan, an economic power with little current military might, has immediate potential as a source of the much needed economic and technological support. The large outstanding international debt of North Korea has jeopardized her attractiveness as a potential trading partner, however.

In her external relations, North Korea has been caught up in the big-power politics of China and the Soviet Union. She has maintained relative neutrality in the Sino-Soviet dispute, but she has become highly dependent on their aid and support. Presently, North Korea's pursuit of international acceptability and her efforts to force government contacts with the United States and Japan are the manifestations of Soviet and Chinese influence to restrain North Korea, in their own national interests.

North Korea, espousing Korean nationalism, has generated great fear and mistrust in the United States and South Korea

with her insistence on United States troop withdrawal from South Korea as the precursor to unification. With her large armed forces and the history of her previous military attempt to unify Korea, Pyongyang's present goal appears to many to be another military campaign when the United States troops are gone. Most likely, from the North Korean viewpoint, these troops constitute a clear threat to her security and, coupled with a southern neighbor who is openly hostile and growing stronger each passing day, contribute to a seige mentality which was most recently manifested in the proclaimed 50-mile military zone.

South Korea sees the North Koreans as an obvious threat to their existence and way of life. Her immediate strategy is to delay the removal of the United States tripwire, biding her time until her economic and technological base is self-sufficient. Only in the last few years has South Korea advanced sufficiently to provide for her own defense, and with United States pending troop removal from Korea her future seems to depend on either the desires of the big powers, or Korean nationalism, as resolved between the two competing social and political systems.

While Japan recognizes South Korea as the sole legitimate government on the Korean peninsula, she does maintain economic and cultural ties with the Pyongyang regime. North Korea, relying on extra-governmental channels, is trying hard to establish some political recognition with Japan. Most notably, the Chochongnyon are utilized to maintain the ties between

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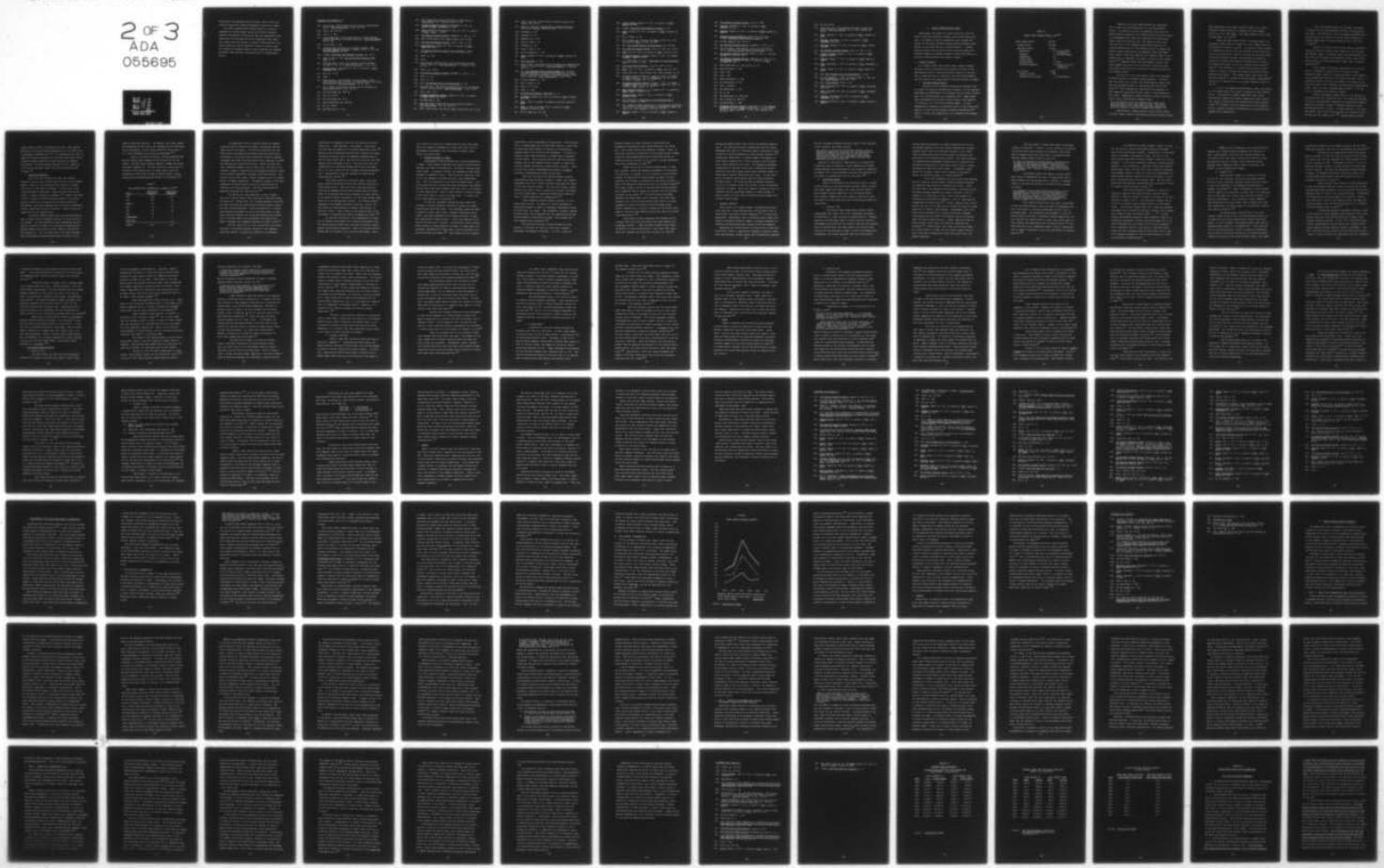
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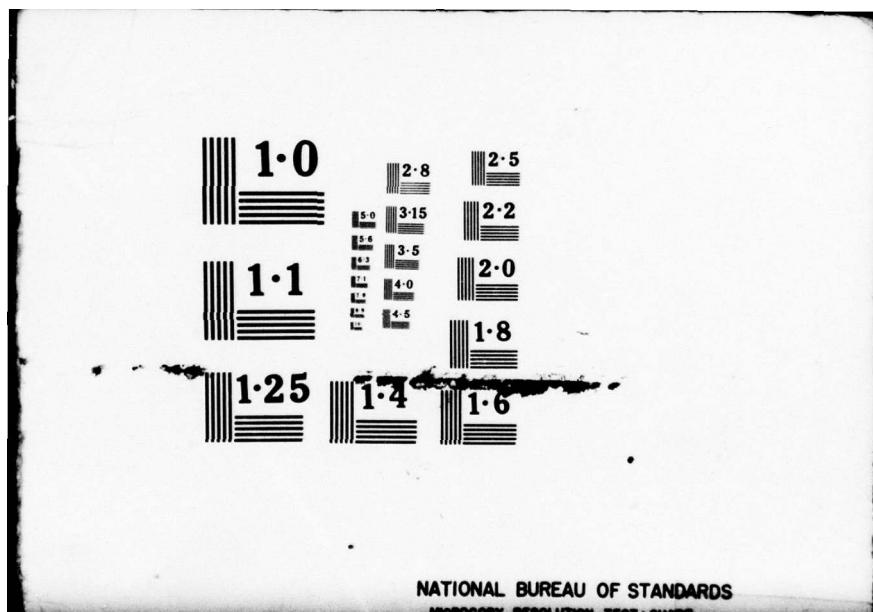
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North Korea and Japanese leftist parties, and to serve any function required to enhance Pyongyang's position in Japan.

The recent Japanese-North Korean efforts to reach an agreement on fishing rights within the 200-mile economic boundary proclaimed by North Korea show the importance Pyongyang places on obtaining political recognition from Japan. Yet, North Korea also wishes to improve trade relations with Japan, hence the interim agreement served to show her good will toward the Japanese people, while reminding the Japanese government that political recognition must be established shortly.

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#### IV. JAPAN'S FOREIGN POLICY GOALS

Japan enjoys the status of a major power and, with the world's third most powerful economy, this status seems justified. Yet Japan's military expenditures are a meager one percent of her gross national product and her standing armed forces are only half the size of North Korea's. A Mutual Security Treaty with the United States provides Japan with military support, including strategic nuclear deterrence, in return for United States base rights in Japan.

##### A. INTERNAL SECURITY

As a lightly-armed, non-nuclear power, Japan's primary internal security considerations include the status of the Self Defense Forces, internal political security in the context of possible leftist infusion as the ruling LDP weakens, and the status of the large group of Koreans resident in Japan.

###### 1. The Self Defense Forces

Article 9 of the Japanese Constitution renounces war as a means of settling international disputes, yet the Japanese government has maintained a Self Defense Force of about 250,000 men to be utilized purely in a defensive role. Japan spends about one percent of her GNP on these forces, which equates to \$5 billion, or 5.9% of the national budget. If this expenditure is placed on a worldwide scale, it would show that Japan is in the top ten nations in defense expenditures.<sup>227</sup> Table IV details the composition of the Japanese Self Defense Forces.

TABLE IV  
JAPAN'S SELF DEFENSE FORCES, 1976<sup>228</sup>

<b>Total Armed Forces:</b>	<b>235,000</b>
<b>Ground Forces</b>	<b>153,000</b>
<b>Maritime Forces</b>	<b>39,000</b>
<b>Destroyers</b>	30 (2 with ASROC & Tartar)
<b>Frigates</b>	17 (10 with ASROC)
<b>Submarines</b>	16
<b>Patrol Craft</b>	34
<b>Landing Ships</b>	4 (LST)
<b>Aircraft Squadrons</b>	10 (with 70 P-2,S-2, 15 PS-1's, 57 SH-3's)
<b>Air Forces</b>	<b>43,000</b>
<b>Combat aircraft</b>	<b>448</b>
<b>Surface-to-air groups</b>	<b>5 (with Nike-J)</b>

Japan has not fully united behind the requirement for, or even the constitutionality of, the Self Defense Forces. As recently as 1973, the Japanese courts have rendered verdicts ruling the Self Defense Forces unconstitutional. In the Naganuma case, which was concerned with using public forest land for a military base, the Superior Court ruled that Article 9 of the Japanese Constitution makes no distinction between wars of self-defense and wars of aggression. Earlier cases, specifically the Sunakawa (1959) and Sakane cases (1969), ruled that Japan has the inherent right of self defense, and by inference, the right to maintain self defense forces.<sup>229</sup> Naganuma denied these precedents, however, and while appeals are sure to be in the court system for years, the ruling itself points out the lack of cohesion behind the Self Defense Forces.

The utility of the Self Defense Forces was expressed by Admiral Gayler in testimony before Congress. He stated that the forces are, in fact, non-threatening to others, and they are extremely useful in stabilizing that part of the world.<sup>230</sup> Their composition, specifically the emphasis on anti-submarine ships and aircraft, seems to lend credence to this claim. Commenting on Japan's ability to play a military role in Asia, Prime Minister Fukuda stated:

It is absolutely out of the question that Japan could play any role as a military power in Asia. Our constitution prohibits this. But there are other fields in which our country is powerful--economy and culture.<sup>231</sup>

Significantly, Japanese public opinion polls reflect a visible trend in favor of maintaining the Self Defense Forces.

Even supporters of the Japan Socialist Party (JSP), which advocates unarmed neutrality, supports the Self Defense Forces by a 71% - 29% margin. The Japan Communist Party (JCP) favored them, 51% - 49%.<sup>232</sup>

While the Self Defense Forces' existence seems to be accepted in most sectors of Japan, its size, composition and utilization are matters of issue. Its ability to grow rapidly is evidenced in the fact that all branches of the service are heavily over-officered. Many of the officers and senior NCO's are battle-hardened veterans, contributing the expertise necessary to mobilize an effective fighting force of four or five times the present size in an extremely short period of time.<sup>233</sup> This potential is viewed with uneasiness by many leftists in Japan, including the Democratic Socialist Party (DSP) and the Komeito. The argument that Japan needs this military potential to uphold her United Nations commitments,<sup>234</sup> should she be ordered to do so, has been accepted by many in the LDP.

In 1977 the Japanese Defense Agency, under some urging by the United States, has sought to upgrade the Self Defense Forces. Prime Minister Fukuda stated that Japan should qualitatively improve her defense capabilities while keeping the security system within the United States Mutual Security Treaty.<sup>235</sup> Actually, the Self Defense Forces have embarked on four programs designed to qualitatively and quantitatively upgrade their capabilities.

First, the Defense Agency has decided, informally, to acquire 45 P-3C anti-submarine aircraft within the next ten years. This decision to buy the Lockheed-built aircraft was made partly in response to United States Secretary of Defense Harold Brown's request during his July 1977 visit to Japan.<sup>236</sup>

Second, in order to build up her security operations along the 200-mile economic zone, especially in the waters off northern Japan, the Defense Agency has placed orders for four 3200-ton helicopter-carrying patrol ships, three YS-11 patrol planes, six high speed patrol boats, and six medium helicopters.<sup>237</sup>

Third, Japan will produce domestically the aircraft which is intended to replace the P-3C within ten years. Mitsubishi Heavy Industry is producing Japan's first domestically manufactured supersonic jet fighter aircraft, the F-1. Eighteen of these aircraft are intended to be placed in commission by March 1978, replacing the United States manufactured F-86F. They will have a maximum speed of Mach 1.6,<sup>238</sup> and will be considered area defense oriented.

Fourth, the Defense Agency wants a 12.2% increase in the fiscal year 1977 budget for 1978. The funds are intended to pay for the additional equipment, plus additional expenses incurred in paying the wages of Japanese employees at the United States bases in Japan. If Japan realizes a 6.7% economic growth rate in 1977, this increase will reflect 0.9% of the GNP vice the 0.88% of 1977.<sup>240</sup> Defense Agency Director

General Mihara stated in September 1977 that, "The Cabinet decision on limiting defense expenditures to 1% of GNP is not a permanently immutable one."<sup>241</sup> His implication was that if Japan were going to maintain the sea lanes and secure an anti-submarine warfare capability within Secretary of Defense Schlesinger's "Defense Sharing Concept" of 1975, Japan may be forced to place more money into military hardware and training.<sup>242</sup>

## 2. Political Stability

Ever since its inception in 1955, the Liberal-Democratic Party (LDP) has been the only party to rule Japan. However, there are five major political parties in Japan, each with its own peculiar ideology. In fact, due to the strong ideology of each party, Japan has been historically unable to conduct supraparty diplomacy.<sup>243</sup> However, now that the LDP's support has been declining steadily, the leftist parties, faced with the possibility of future coalition governments, have moved somewhat away from purely ideological stands, toward more practical positions. Table V shows the composition of the Japanese Diet.

The Mutual Defense Treaty with the United States has been a primary issue in Japanese politics for over the last two decades. The entrenched LDP, which encompasses the mercantile interests of Japan, has consistently supported the Mutual Defense Treaty while the DSP, Komeito, JSP and JCP have opposed it. Yet, in recent years, the leftist parties have looked much more benevolently upon the treaty in the

light of practical politics. The Komeito still wants immediate abrogation of the treaty, and although the JCP officially favors abrogation, it most likely would not insist upon it if it were included in any coalition government.<sup>244</sup>

Japan's two socialist parties, the more moderate DSP and the radical JSP, disagree on the desired fate of the treaty. The DSP, which formerly wanted to change the treaty, now openly supports it. The JSP, which has a great deal of strength in the western part of Japan, openly calls for abrogation of the treaty through diplomatic means, "after obtaining the understanding and consent of the people."<sup>244</sup>

TABLE V  
THE JAPANESE DIET: COMPOSITION (JANUARY 1977)<sup>245</sup>

PARTY	LOWER HOUSE STRENGTH	UPPER HOUSE STRENGTH
LDP	260	127
JSP	124	61
KOMEITO	56	24
DSP	29	10
JCP	19	20
NLC	18	1
INDEPENDENT	5	3
NIIN CLUB	-	4
TOTALS	511	250

A second major area of conflict among the Japanese political parties concerns the proper relationship between Japan and the two Koreas. The LDP was responsible for the 1965 Treaty of Normalization between Japan and South Korea. Furthermore, the LDP has openly supported extensive Japanese investment and trade with South Korea while refusing to extend the same policies toward North Korea. Within the LDP, however, individual members such as Chuji Kuno, the head of the Dietmen's League's delegation to the Pyongyang fisheries talks, have decidedly sympathetic leanings toward North Korea. The Komeito and the JSP, Japan's second strongest party, are North Korea's strongest supporters. The Komeito signed a 1972 joint communique with North Korea calling for normalization of relations and trade expansion. The 1973 North Korean-JSP agreement advocated the same policies.<sup>246</sup>

The DSP has not been supportive of Kim il-Sung's position on United States troop withdrawals from South Korea. In August 1977, Kasuga Ikko, the visiting Chairman of the DSP, met with President Park and warned the United States against any hasty troop withdrawal. Ikko proclaimed that a reliable peace-keeping instrument set up by the world powers to guarantee peace and stability on the Korean peninsula was needed prior to United States troop withdrawal from South Korea. Ikko's statement was vehemently denounced in North Korea.<sup>247</sup>

The JCP, which lost 10 seats in the 1976 lower House elections, has become decidedly involved in the Japanese political process, stressing the welfare of the Japanese

people must be paramount, even over the question of North Korean ties. Isamu Watanabe, a JCP member, stated that, "The JCP does not approve of a military demarcation line."<sup>248</sup> While he said he understood North Korea's reasons for establishing her military zone, the Japanese fishermen used to fish in those waters and it was the JCP's position that they should still be allowed to do so. The JCP still calls for normalization of relations between North Korea and Japan, but it is also critical of Kim il-Sung's growing personality cult. Significantly, the JCP withdrew its North Korean representative in 1972.<sup>249</sup>

The steady decline of the LDP's power in the Diet opens up great possibilities for other parties relative to North Korean policy. While the LDP's long-held position favoring the Japanese-United States Mutual Security Treaty seems to be becoming universally accepted, at least tacitly, by all parties except the Komeito, its pro-South Korean stand seems not to be gaining many converts. Mr. Herbert Passin, speaking of the Japanese political situation, stated: "We must avoid too much pressure on (Japan), particularly on political issues. These issues are so divisive that we run the danger of splitting the country by pushing too hard."<sup>250</sup>

As the LDP's position as sole ruling party in Japan may be eroding, the prospect of a coalition government with the leftist parties might force the LDP to gravitate toward greater North Korean recognition. While the leftist parties, should they be included in any coalition government, would

most likely not insist on a radical policy shift, they might force the Japanese government to accept some lesser form of government-to-government ties and greater economic intercourse with North Korea.

### 3. Koreans Resident in Japan

Approximately 600,000 Koreans are residing permanently in Japan. These Koreans represent both North and South Korean ideology, and they are potentially a vociferous lobbying group within Japan. In general, Koreans are regarded as undesirable elements in Japanese society. They are mostly unskilled, have a very low standard of living, and have a 50% unemployment rate. They live generally in the Tokyo and Osaka areas. Very few of them have ever visited the Korean peninsula, but despite the fact that they speak Japanese they must carry a certificate of alien registration. Many of these Koreans resident in Japan do not really want to return to either Korea. In Japan, however, being Japanese is everything.<sup>251</sup>

In 1965 the "Agreement Concerning Legal Status and Treatment of Korean Nationals Residing in Japan" was signed between South Korea and Japan. This agreement committed Japan to ensure a stable legal status, adequate educational opportunity, and equal treatment of all Koreans resident in Japan who registered as "South Koreans." There were numerous difficulties from the start, however. Those Koreans loyal to North Korea refused to claim permanent residence in Japan under this agreement, demanding that Japan make a similar agreement with the North Korean government.<sup>252</sup> Since Japan did not recognize

North Korea, such an agreement was impossible. Prime Minister Sato, a strong supporter of South Korea, publicly stated that he would urge these people to register as South Koreans, enabling them to be covered by the agreement. He would not, however, refuse them permission to change their allegiance to North Korea. Sato's position did not sway the pro-North Koreans, and of the 600,000 Koreans resident in Japan only 200,000 actually registered as South Korean citizens. Sato's position did clearly acknowledge North Korea's de facto existence, undermining the South Korean cause.

With only 200,000 of the 600,000 Koreans actually registering as South Koreans resident in Japan, the Japanese government still had a serious problem concerning the status of the other 400,000 Koreans. Such an active group, concentrated in two major cities, could not be ignored, and should any one of them commit a deportable offense the problem of where to deport them was not insignificant.<sup>253</sup>

Japan commenced allowing Korean residents to visit North Korea in 1957. On August 13, 1959 an agreement to repatriate Koreans in Japan to Pyongyang, negotiated through the Red Cross, was signed. This agreement, violently opposed by South Korea, was responsible for the repatriation of some 88,000 Koreans to North Korea by 1960. This document has been renewed yearly thereafter.<sup>254</sup>

The political activity of these Koreans has been subject to scrutiny, but with as little overt Japanese government involvement as possible. In 1974, a group of

Koreans residing in Japan traveled to South Korea and attempted to assassinate South Korean President Park Chung-hee. Since these Koreans were Japanese residents, Japan, to avoid any accusation of duplicity in the assassination attempt, issued the Shinna Memorandum which stated that private internal activities critical of any specific foreign government would not be permitted in Japan.<sup>255</sup>

Recent activities by various Korean groups in Japan have, however, caused the Japanese government to re-evaluate this position. On August 12, 1977 a group of 70,000 Koreans resident in Japan plus 30 South Koreans resident in other countries met in Tokyo to establish an anti-Park, pro-Seoul front--The Democratic Unification Front of Overseas Koreans.<sup>256</sup> This group, highly critical of growing South Korean-Japanese ties, denounced them as being "at variance with the national sentiment of our people."<sup>257</sup> The South Korean government demanded that Japan expel these dissidents, and when Japan refused to do so the pro-Park Korean Youth Council in Tokyo attempted to break up a meeting of the dissident group. Japan's response was to arrest 55 members of the Korean Youth Council--the first time Japanese police has taken such action since World War II.<sup>258</sup>

South Korea bitterly denounced the Japanese action, claiming that such action had never been taken against pro-Pyongyang residents. Japan responded through Yosuke Nakae, an official in the Foreign Ministry, who stated that Japan would not "regulate any activities critical of a specific

foreign government unless they violate the Japanese domestic laws." This position directly contradicted the 1974 Shinna Memorandum and served to illustrate Japan's perception of the intensity of emotion generated by these Korean residents.<sup>259</sup> Perhaps more importantly, it showed Japan's willingness to allow them to express their views so long as civil disturbances within Japan did not result. The Japanese government, recognizing the internal unrest that a repressive reaction toward the anti-Seoul group would bring, preferred simply to allow them to express their political views. Yet the possibility of adverse South Korean reaction could accelerate internal unrest. The situation must be handled carefully so as not to alienate either the leftists or the strong Seoul supporters in Japan. Above all, domestic tranquility must be retained, and the increasing tendency of these Koreans to express openly critical views of South Korea may impede this internal security goal.

#### B. EXTERNAL SECURITY

Japan relies on a strong economy, including great worldwide trade and a large fishing fleet, 40% of whose catch is taken within 200 miles of other countries,<sup>260</sup> to sustain her population. Furthermore, with a relatively small armed force geared to defensive measures, Japan is strongly dependent on building and maintaining good relations with her neighbors.

Concerning the United States, the Soviet Union, China and both Koreas, Japan is committed to programs of greater cooperation and dialogue, working within the United Nations framework.

The 1977 Diplomacy Bluebook discusses Japan's major approach in her relations with other nations:

Our nation, as one of the Free World countries, has to deepen its cooperative relations with the United States and other friendly countries and, at the same time, ensure steady progress in its exchanges and dialogues with China, the Soviet Union and other countries with different political systems.<sup>261</sup>

Relative to the Korea's, Japan desires to maintain her "essential" goal of stability, a goal emphasized by former Foreign Minister Kiichi Miyazawa at the Trilateral Commission in January 1977: "The maintenance of peace and stability in the world is a prerequisite for our existence."<sup>262</sup>

#### 1. The United States

Japan's relationship with the United States is based on her reliance on the United States military power to deter and combat aggression against her, while she has become a full-fledged economic competitor with the United States. This economic competition, while viewed as healthy by many, also bears the seeds which may cause dissolution between the two nations.

##### a. Security Ties

The United States-Japan Mutual Defense Treaty acknowledges that Japan, due to her disarmament subsequent to World War II, lacks the power to defend herself. Granted, Japan has the sovereign right to enter collective security arrangements and possesses the inherent right of self-defense; both the United States and Japan agreed that United States forces will be maintained in Japan to deter armed aggression. Furthermore, the treaty specifies that the United States

expects Japan increasingly to assume responsibility for her own defense against direct and indirect aggression, avoiding armament which could be an offensive threat or serve other than to promote peace and security within the purposes and principles of the United Nations Charter. The treaty provides for administrative agreements between the two countries concerning the disposition of the United States troops in Japan, including the question of base rights. Furthermore, Japan agreed not to grant, without prior consent of the United States, any military rights to a third nation.<sup>263</sup>

This treaty cemented a strong military pact between the two countries, giving Japan a viable strategic deterrent in return for base rights for United States troops. Until the late 1960's the Japanese leftist parties, the Soviet Union and China strongly opposed this treaty, and when it was extended in a revised form in 1960 it was at the expense of cancellation of President Eisenhower's visit to Japan and the resignation of Premier Kishi.<sup>264</sup> Lately, however, most leftist parties (as well as the LDP) seem to accept the treaty as being beneficial to Japan's self-interest. Furthermore, since the Soviet Union and China wish to deny an exclusive Japanese relationship with the other, both nations seem to be increasingly willing to accept the pact. China, especially wary of Soviet power in Asia, views the treaty as important and necessary.<sup>265</sup> Realistically, the treaty can only be viewed as a great benefit to Japan, who can spend a meager one percent of her GNP on defense yet retain the world's most formidable deterrent.

The base rights in Japan have become increasingly a matter of contention, however. As far as Korea is concerned, the United States would require prior approval from Japan before staging troops from those bases. As Defense Agency Director General Mihara stated in July 1977:

We have no intention of unconditionally providing bases in Japan for that purpose (staging areas during an emergency on the Korean peninsula). Whatever the circumstances, this issue will require prior consultation. Our answer to this question will depend on the circumstances.<sup>266</sup>

The primary reason for Japan's attitude toward base rights is undoubtedly her fear of being pulled into a Korean conflict by the United States. However, a secondary reason is the doctrine defined by President Nixon, whereby he stated:

Our alliances are no longer addressed primarily to the containment of the Soviet Union and China behind an American shield. They are, instead, addressed to the creation with those powers of a stable world peace. That task absolutely requires the maintenance of the allied strength of the non-communist world.<sup>267</sup>

This "Nixon Doctrine" has been widely interpreted to mean the United States, while not exactly disengaging from Asia, would expect a military partnership with her allies--including Japan. The partnership was designed to allow the United States to provide a "deterrent" against aggression, but also required the other nations to take a more active role in their defense and cooperation with the United States.<sup>268</sup> The 1969 Nixon-Sato joint communique seemed to mark a significant step in Japan's recognition of her own involvement in regional security.<sup>269</sup>

The question for Japan, however, seems to be how far she can go in sharing the defense burden in Northeast Asia without significant rearming. Furthermore, if the United States is actually retrenching in Asia, the value of the United States deterrent itself may become a matter of serious question. In this case, extensive rearming, including nuclear weapons, is one alternative. Japan has issued three defense white papers (1970, 1976 and 1977) which carefully evaluated the strategic balance. While the latest one acknowledges the United States decline relative to the Soviet Union, it still gives the United States the strategic edge. The 1977 white paper noted the American expectations for assistance in security matters from her allies, however.<sup>270</sup>

Given the strategic circumstances, Japan will continue to embrace the security treaty, and the leftist parties in Japan are likely to accept it as being in the best interest of Japan to do so. Yet Japan will probably not go so far as to become a full military partner of the United States. As Professor Clough points out, "Japan can probably contribute more to peace and stability in Ease Asia by remaining a lightly armed, non-nuclear power ...."<sup>271</sup> Growing nuclear proliferation among her Asian neighbors would be an unsettling development, however, and could prompt her to consider developing her own counter-cities nuclear capability. Such a capability would be utilized as a deterrent aimed toward the newly emerging Asian nuclear powers, and so long as it remained incapable of first-strike accuracy it could be considered a defensive move.

Whatever the circumstances, any intensive arming campaign will frighten Japan's neighbors and cause her to shift a great amount of her GNP into military production. It is more likely that Japan, should she be forced to leave the American military alliance, would entertain serious thoughts about remaining lightly armed, non-nuclear, and neutral in the US-USSR-China triangle.

b. Economic Ties

Prime Minister Fukuda, in a speech to the Diet on July 30, 1977 declared: "Resources and energy problems are very serious and basic problems because they are linked to the very foundation of the Japanese economy and the peoples' livelihood"<sup>272</sup> Japan's dependence on other nations for her supply of raw materials is great, and it is predicted that by 1985 Japan will control only 30% of her domestic raw material requirements. She is presently highly dependent upon Europe and the United States, and it appears that long-term cooperation with these centers of international capital will remain a necessity.<sup>273</sup>

The United States receives 30% of the total Japanese trade; 14.8% of the total United States exports go to Japan and 10.8% of the United States imports come from Japan. Yet this economic relationship appears much like an underdeveloped country to a developed one. Fifty-eight percent of the United States' exports to Japan are foodstuffs and raw materials and 25% are machines and machine products. Seventy-two percent of the United States' imports from Japan

include heavy industrial and chemical products and 24% light industrial products, with only 4% constituting raw materials.<sup>274</sup>

The Ministry of International Trade and Industry (MITI) predicted in July 1977 that the Japanese trade surplus for fiscal year 1977 will approach the record surplus of \$11 billion recorded in 1976. Furthermore, on July 31, 1977 the gold and currency reserves in Japan reached a 52-month high of \$17.6 billion. To combat the ballooning foreign currency holdings, the Japanese government ordered the sales of yen to the United States armed forces and diplomatic corps in exchange for dollars to cease.<sup>275</sup>

When President Nixon ordered a 16.88% devaluation of the dollar against the yen in 1971 the result was to make Japanese goods more expensive, and it became more difficult for American firms to invest in the Japanese economy. Furthermore, the United States pressured Japan into buying U.S. Treasury bills and bonds to prop up the sagging dollar, and Japan has recently agreed to pay the foreign exchange costs of keeping the United States bases in Japan.<sup>276</sup>

The American balance of payments problems, viewed in the context of large Japanese trade surpluses, have raised serious questions in the United States over Japan's international economic policies. In July 1977, the United States Treasury Department and United States Steel Company filed a formal dumping complaint against Japanese steelmakers. The MITI, realizing the poor position of the United States' steel industry, stated, "The move was regrettable from the standpoint

of normal development of trade between the United States and Japan." Since some European mills charge 10% less than Japan, the dumping charge, filed only against Japan, was received bitterly.<sup>277</sup>

The United States' economic zone is another thorny issue between these two allies. Effective March 1, 1977 the United States established a 200-mile economic zone but allowed Japanese fishermen to fish within the zone, on an interim basis, by paying fees, abiding by fish quotas, and obtaining entry permits. The Japanese Fisheries Agency estimates that Japanese fishermen will pay \$100 million in 1977 to fish within the United States economic zone. Negotiations for a long-term contract are continuing, but this potentially divisive issue will be a recurring one between these two nations.<sup>278</sup>

While there are qualitative economic disagreements between the United States and Japan, it is important to keep the two nations from drifting apart on these issues. If the rift were to become irreversible, Japan might view the United States' deterrent as a hammer held over Japan's head, or as less than believable. Either situation would portend uneasiness in Northeast Asia, probably manifested by Japan charting a course away from the United States, gravitating toward neutrality or rearmament.<sup>279</sup>

## 2. The Soviet Union and China

### a. Security Ties

The Soviet Union and China both have diplomatic relations with Japan, yet neither has signed a peace treaty

with her subsequent to World War II. Generally, Japan is economically attractive to both China and the Soviet Union, and each of these nations intends to impede the political alliance of Japan to the other. Japan tends to view the Soviet Union with mistrust and fear, while fully recognizing the economic opportunity she may be able to provide. Most likely, Japan feels the Soviet Union is her only real potential military threat, and current polls show the Soviet Union to be Japan's least popular neighbor.<sup>280</sup>

China and Japan have strong cultural ties. Japan tends to view China with confidence and, to some degree, pity. China's economic utility to Japan, including the legendary China Trade, has not been overlooked by the Japanese.<sup>281</sup>

Japan considers neither nation, at present, to constitute a dire strategic threat.<sup>282</sup> She is fully aware that her economic utility to them, in terms of trade, investment and technology, far outweighs any utility to be gained by direct aggression against her. Hence, in the official pronouncements of these nations, talk of increasing bilateral relations with Japan is a recurring theme.

The single issue standing between a Soviet Union-Japan peace treaty is the four contested islands north of Hokkaido. Both nations have deemed them to be necessary for each one's security, an inviolable part of each nation.

On July 20, 1977 the Soviet Ambassador to Japan stated, "The northern islands are not unresolved issues."<sup>283</sup> On July 30, 1977 Prime Minister Fukuda expressed Japan's

position concerning the islands to the Diet:

I think that signing a peace treaty after settling the northern territories issue is the only essential precondition for truly developing bilateral relations on a stable foundation.<sup>284</sup>

Dmitriy Polyanskiy, Soviet Ambassador to Japan, discussed Japanese-Soviet relations on July 13, 1977:

In the 20 years since signing a joint declaration, the Soviet Union and Japan have been expanding their bilateral relations along a broad, meandering path .... Political and economic relations have become more active and stronger.<sup>285</sup>

Japan recognizes China and Taiwan as two separate entities, unlike her policy toward Korea. In August 1972 the only obstacle to Sino-Japanese normalization of relations was removed when, in the Nixon-Tanaka communique, reference to Taiwan as part of Japan's security perimeter was not made, thereby tacitly renouncing the earlier position taken in the 1969 Nixon-Sato communique.<sup>286</sup> Today the major question concerns negotiation of a peace treaty. In September 1977 Foreign Minister Hatoyama declared in the Diet that he considered the time was right to conclude a Japan-Chinese Treaty of Peace and Friendship. He stated that Prime Minister Fukuda's intention was to make the treaty satisfactory to both sides, emphasizing world peace.<sup>287</sup>

The question of Japan's ties with the United States, especially concerning the Mutual Defense Treaty, does not really seem to be a detrimental factor in Japan's relations with the Soviet Union and China. While it constitutes a strong deterrent against aggression, the Soviet Union's need for Western technology and investment, coupled with the

tremendously destabilizing effect direct aggression on Japan would have world-wide, make such a course of action most unlikely, with or without the treaty. China views the Japanese-United States Defense Treaty almost benevolently. Any Chinese desire to weaken Japan's economic position in Asia has been subordinated to Sino-Japanese rapprochement in the face of Soviet hostility.<sup>288</sup> In fact, China has normalized relations with Japan while improving relations with the United States. The Chinese Foreign Minister, Chi Peng-fei, stated in October 1973: "Japan should not be under the guardianship of the United States indefinitely, but it is desirable for Japan to have its independent self-defense forces. However, it is unrealistic for Japan to abrogate the Security Treaty immediately."<sup>289</sup>

Obviously, the stability assured by a non-nuclear lightly-armed Japan, coupled with the deterrent of the United States military power, especially the Seventh Fleet, is in the national interests of both China and the Soviet Union. Therefore, it is unlikely that they would make a major issue of the treaty in their relations with Japan.

#### b. Economic Relations

Japan's trade with the Soviet Union and China is detailed in Appendix A. Concerning the Soviet Union, the mutual benefits accruing to both nations with the development of Siberian natural resources have great promise. In April 1973, Japan and the Soviet Union signed a protocol for an Export-Import Bank credit of \$1.05 billion in tied loans at

6.375% for eight years. In return for development of Yakutia gas and coking coal and Siberian timber, the Soviet Union will repay Japan with deliveries of hard coal, gas and logs, and she will purchase other Japanese manufactured goods.<sup>290</sup>

The "Siberian venture" has continued to expand with Japan pledging another \$90 million in bank loans to develop coal deposits in Yakutsk, and additional United States-Japan funds will be committed to the development of natural gas as soon as the Soviet Union ascertains the deposits are greater than one trillion cubic meters. Furthermore, the Export-Import Bank in October 1977 agreed to provide bank loans of \$100 million to finance Soviet imports of large caliber steel tubes from Japan.<sup>291</sup>

Besides this mainland exploration and development, a joint Soviet-Japanese oil venture formed in August 1977 made a significant oil discovery off the northernmost tip of Sakhalin Island. By the autumn of 1978, the quantity and quality of this discovery should be determined, but presently it could easily prove to be the largest oil deposit in Asia.<sup>292</sup>

China is extremely wary of such economic cooperation between the Soviet Union and Japan. Development of the vast, hidden Soviet natural resources would only make the Soviet Union more powerful. Furthermore, greater economic ties between the Soviet Union and Japan could portend greater shared and vested interests between the two nations--a situation China would find unsatisfactory.<sup>293</sup>

For China's part, agreements that would provide Japan with Chinese coal and oil, in return for the foreign currency reserves to purchase Japanese technology, are pending. Since Japan is China's largest trading partner today, former Foreign Minister Aiichiro Fuyiyama's statement that China is showing a positive stance toward induction of advanced Japanese technology to modernize industry, science, agriculture and national defense, is understandable.<sup>294</sup>

The Sino-Japanese trade is not solely an effort by China to obtain Japanese technology. Japan imported over one billion dollars worth of Chinese materials during the first nine months of 1977, a great percentage of which was oil and coal.<sup>295</sup> Surely, with the Japanese dependence on world-wide sources of raw materials, China's resources and proximity make her trade almost an economic necessity for Japan.

#### c. Fishing Rights

In March 1977, the Soviet Union extended her economic zone from 12 to 200 miles. In 1976, Japan caught one million tons of fish in these waters, accounting for 50% of the northern Pacific catch. Therefore, in March 1977, when thirteen Japanese fishing boats returned home, unable to fish in "Soviet" waters, the impact of the Soviet Union's action was painfully obvious. Japan responded by proclaiming her own 200-mile economic zone, effective July 1, 1977. The zone was considered bilateral in nature; that is, it applied only to those nations who enforced the 200-mile limit

against Japan. China and South Korea were not targets of the Japanese economic zone.<sup>296</sup>

In June 1977 an interim fishing agreement between Japan and the Soviet Union was signed. This agreement, remaining in effect until December 31, 1977, established a quota of 455,000 tons for Japan for the period June-December 1977. This agreement required Japan to obtain fishing licenses and pay quota fees, imposed a total ban on salmon and herring within these waters, and reduced total Japanese fishing take by 36%. Consequently, Japanese retail fish prices have doubled and tripled over the last year, resulting in losses of over \$1 billion to the Japanese economy.<sup>297</sup>

There was Japanese concern that the Soviet Union might push Japan to sign an agreement giving at least tacit recognition to Soviet sovereignty claims over four disputed islands north of Hokkaido. The interim agreement, however, sidestepped the issue of these islands, stating it would not "prejudice the positions" of either government on the "various problems concerning mutual relations." A de facto joint fishing area around those islands was thereby established.<sup>298</sup> The pact seems to show that the Soviet Union does not wish to see the fishing rights issue cause a deterioration in the two countries' relations. With the warming of the Sino-Soviet dispute and the Japanese participation in the Siberian development project, the Soviet Union obviously feels she needs Japan.<sup>299</sup> Significantly, after the interim agreement was signed, a five-year extension of the 20-year old bilateral trade pact was also signed.<sup>300</sup>

Japan established quotas of 335,000 tons, a 31.2% reduction from last year, on the Soviet Union fishing fleet's catch within Japan's economic zone. Following the Soviets' example in their implementation of the agreement, however, Japan agreed not to collect fees from the Soviets. In October 1977 the interim agreements, due to expire in December, were extended one year.<sup>301</sup>

For the small Japanese fisherman, the right to fish is an extremely important issue. Japan, faced with reduced "take" by her fishermen within the Soviets' 200-mile zone, is attempting to compensate them by approving \$295 million in emergency funds to be used for lost wages and severance bonuses. Japan must be careful not to force the Soviet Union to implement more severe restrictions against Japanese fishing interests.<sup>302</sup>

### 3. Korea

Japan's relations with divided Korea have centered around extensive trade and investment in South Korea and measured commercial intercourse with North Korea. South Korea's security has been closely linked with Japan's, while Japan and North Korea do not even have diplomatic relations. Strategic considerations, specifically peace and stability in Korea, appear to be the overriding concern of Japan,<sup>303</sup> yet South Korea's economic utility and North Korea's economic potential also place them squarely within the Japanese economic concern.

a. Security Ties

Officially, the Japanese government professes that if a nation gains control over the Korean peninsula which is in direct opposition to Japanese influence, Japan would view it as a threat to her national security.<sup>304</sup> Implicitly, Japan does not rule out a 2-Koreas policy with this position, but practically, any move toward North Korea is viewed with dire concern in South Korea. Any undermining of South Korea's position vis-a-vis North Korea would, at least theoretically, make the Korean peninsula more vulnerable to control by a "hostile" regime.

Prime Minister Fukuda, in a televised press conference, stated:

The division of the Korean peninsula ... is a national tragedy. It is really desirable that Korea be unified peacefully through dialogue, not through an armed conquest by either of the two...

Japan sincerely hopes that the Korean peninsula, our closest neighbor, will prosper in peace. In concrete terms, the best way is for the two sides to hold a dialogue. Japan should cooperate as a neighbor in helping to create such an atmosphere.<sup>305</sup>

While calling the division a "national tragedy," Fukuda showed Japan's concern in Korea, but he also pointed out that Japan was willing to use her abilities to create favorable conditions for a North-South Korean dialogue. Foreign Minister Hatoyama stated at the Foreign Correspondents Club of Japan that Japan and the United States should make more contacts with North Korea while China and the Soviet Union should follow a similar pattern with South Korea to ease tension in Korea.<sup>306</sup>

While some writers feel that Hatoyama's position is extremely

dangerous and could upset the power balance in Northeast Asia,<sup>307</sup> the statement shows the serious thought given to increased ties with North Korea by the Japanese government. Furthermore, it tends to point out that Japan would like to increase ties with North Korea, but not at the expense of destabilizing the Korean peninsula--hence the desire for similar moves toward South Korea by the Soviet Union and China.

South Korea's security was declared "essential" to Japan in the 1969 Nixon-Sato joint communique. In 1972, however, the second Nixon-Sato communique and the Nixon-Tanaka communique (September 1, 1972) omitted any reference to South Korea as being "essential to Japan's own security." Significantly, in the 1975 Ford-Miki communique and the 1977 Fukuda-Carter communique the emphasis on the importance of the Korean peninsula shifted toward maintaining peace and stability on the entire peninsula--not just in South Korea.

This shift in official position emphasized not only Japan's concern with regional peace and stability, but also Japan's recognition that North Korea was a factor which must be reckoned with. If stability on the Korean peninsula is important to Japan, she cannot ignore the northern half of Korea. Japan's dilemma is how to increase relations with North Korea without alienating South Korea. Surely political recognition is presently out of the question, but economic and cultural ties, within bounds, could be maintained. Furthermore, if Japan is to function as a catalyst for peace in Korea, she must have some North Korean ties.

One of Japan's major difficulties in formulating and implementing any Korean policy which is designed to bring about a situation favorable to Japan is the natural animosity and distrust between the Korean and Japanese peoples. The South Koreans feel the Japanese are selfish and arrogant people who will doublecross them should South Korea ever get into serious difficulty.<sup>308</sup> Furthermore, even in this period of a reduced United States military presence in South Korea the Seoul regime is careful not to forge close military ties with Japan.

Close Japanese military ties would be very unpopular in South Korea. Japanese militarism is certainly a strong Korean memory, and any Seoul government would be in major political trouble if it seriously entertained the idea of allowing Japanese troops on Korean soil. Japanese economic assistance, especially during the fourth 5-year plan (1977-1981), is most welcome, however. Support of this kind is both beneficial and, while not altogether trusted, non-menacing.<sup>309</sup>

North Korea speaks often of Japanese militarism in the press. Anti-Japanese rhetoric aside, one gets the distinct impression that although no immediate fear of Japan exists, the spectre of Japanese military activism clearly exists in North Korea.<sup>310</sup>

On May 4, 1977 the Seoul bureau of Japan's Yomiuri Shimbun was closed by the South Korean government. The editors allegedly praised Kim il-Sung, although they claimed their statement was misinterpreted. They refused, however,

to clarify the statement, thereby infuriating the South Koreans.<sup>311</sup> This incident occurred at the height of negotiations over the Japan-South Korean joint oil venture and served to illustrate the inherent Korean mistrust of the Japanese. The joint oil development pact has had severe trouble in the Diet, and Japan's invitation to North Korean politicians to come to Japan and work on new trade and fishing agreements while the joint venture needed strong government support in the Diet, served to amplify Korean mistrust of Japan.<sup>312</sup>

North Korea's establishment of expanded economic and military zones has created serious security problems for Japan. The establishment of the 200-mile economic zone effective August 1, 1977 meant Japan has had to rely on third countries to ascertain North Korea's intent. Furthermore, should South Korea counter this move by establishing her own 200-mile economic zone, Japan would find the situation much more complex.<sup>313</sup> The JCP leader, Tetsuzo Fuwa, stated that Japan and North Korea should reach a bilateral fishing agreement and establish diplomatic relations.<sup>314</sup> The government chose to negotiate privately with North Korea, and a newly formed "Japan-North Korea Fishing Council" sent a three-man delegation with the Dietmen who went to North Korea to negotiate a settlement.<sup>315</sup>

Japan watched as the "Shinyo Maru," a small fishing boat, was boarded by North Koreans within the economic zone.<sup>316</sup> North Korea's message was clear: the 200-mile zone

would be enforced. Japan's response was to warn all Japanese shipping to remain clear of the economic zone. Subsequent negotiations by the Dietmen's League and North Korean officials commenced with some speculation that the Japanese Government, in its quest for securing an agreement, might endorse it.<sup>317</sup> When the Japanese government later made it clear that no endorsement of any private agreement with North Korea would take place, the talks foundered. The resultant interim agreement kept the door open to future negotiations, but the joint statement made upon conclusion of the talks, calling for removal of United States troops from South Korea, was denounced by the Foreign Ministry as running counter to Japan's official position.<sup>318</sup>

The JCP's position was again put forward by Isamu Watanabe who took part in the fishing talks. He stated that the interim agreement, which allowed Japanese fishing boats of less than 200 tons to fish within the economic (but not the military) zone, should have been negotiated by the Japanese government. He claimed that about 600 fishing boats would be put out of operation due to the Japanese government's refusal to endorse the agreement.<sup>319</sup>

While future negotiations are inevitable, the question of Japanese government participation remains. If the fishing loss is significant, surely the JCP will collect political capital, perhaps forcing the ruling LDP to consider some sort of direct negotiation, or at least endorsement of a privately negotiated agreement.

The 50-mile military boundary was soundly denounced in Japan. The Asahi Evening News pointed out that since the airlines do not pass through this zone and since trading ships have always obtained North Korean permission to transit these waters anyway, the 50-mile zone would not really effect Japan. Yet, the paper realized that a step-by-step process toward normalization was necessary so that direct talks could be made to eliminate misunderstandings between the two countries.<sup>320</sup>

Any trend toward closer relations between North Korea and Japan has repercussions in South Korea. While Japan has been willing to improve relations with North Korea, the economic and strategic importance attached to South Korea has made Japan unwilling to do so at Seoul's expense.<sup>321</sup> The great economic ties between Japan and South Korea make cooperation between the two countries of extreme importance. Japan is susceptible to South Korean economic pressure, but South Korea's growing economic dependence on Japan makes her generally unwilling to strain their relationship.<sup>322</sup>

Japan has attempted to minimize the "shock" any move toward North Korea might create. In May 1976, the Japanese chief delegate to the United Nations Conference on Trade and Development in Nairobi invited North Korea's counterpart to his official reception.<sup>323</sup> At the 1977 South Korea-Japan Ministers Conference, Foreign Minister Hatoyama explained that Japan would be careful not to hinder friendly relations with South Korea in promoting her relations with North Korea. South Korea's response warned that a shift in

world attention toward North Korea would not favor a stabilized Korean peninsula--an acknowledgement of Japan's 2-Koreas policy and an exhibition of her understanding of Japan's strategic needs.<sup>324</sup>

The North Korean-Japanese fishing rights talks have come under intensive South Korean scrutiny. The South Korean government asked its Embassy in Tokyo to determine whether the Japanese government was promoting a fishing agreement with Pyongyang. South Korea made it clear that it would consider such Japanese government involvement to violate the basic spirit of the 1965 Japan-South Korean Treaty of Normalization. Speculation that Japan might negotiate a government-to-government fishing agreement caused South Korea great concern, even to the point of speculation about establishing her own 200-mile economic zone.<sup>325</sup>

The subject of the Japan-North Korean fishing rights talks was an important topic at the Japan-South Korean Ministers Conference. Deputy Premier Nam Tok-u officially protested the visit of the Dietmen's League to North Korea. Japan's Foreign Minister Hatoyama replied that the delegation which went to North Korea was private in nature and it was not connected with the Japanese government.<sup>326</sup> No doubt the strong South Korean reaction to the talks was a factor in the Japanese government's decision not to endorse any private agreement with North Korea.

The strong feelings of the South Koreans, coupled with the political and economic pressure they can exert on

Japan probably account for some of the Japanese reluctance to forge closer North Korean ties. Japan must weigh South Korean pressure against Japan's inability to talk with a country in close proximity about serious mutual problems.

b. Economic Ties

Japan's economic relations with Korea encompass a recognition by Japan that raw materials are not unlimited and free trade must not be taken for granted. The fiscal year 1977 White Paper cited three major problem areas in the Japanese economy:

- (1) There is a gap between brisk exports and sluggish import demands,
- (2) Japan has a fast-expanding trade surplus, and
- (3) Consumer-enterprise pricing problems exist.<sup>327</sup>

Many South Koreans believe that the growing Japanese accommodation toward North Korea is based upon a desire to create markets and a raw material supply. This 2-Koreas policy would be, then, economically motivated and would reflect suspicious attitudes toward Japan. If growing ties with North Korea are economically motivated, it could mean that Japan is likely to adopt any policy which benefits her economy regardless of the political consequences to the Free World.<sup>328</sup> The economic significance of Japan's actions notwithstanding, she is primarily motivated by strategic security concerns and her actions should be viewed in that context.

With regard to sources of raw materials, it is obvious that South Korea is not a major source of supply. South Korea's importance lies in her large market for Japanese

manufactured products.<sup>329</sup> In 1976 the major South Korean exports to Japan were shellfish and other marine products, garments and textiles, coal and pig iron, and iron ore.<sup>330</sup> South Korea's growing dependence on thermal power generation indicates her domestic needs of coal may preclude large future exports of this item to Japan.

North Korea, conversely, does not offer great potential as a market for finished Japanese goods, but she does offer great potential as a supplier of mineral resources for Japanese industries.<sup>331</sup> Japan's hunger for raw materials will grow in the future, forcing her to concentrate on exploitation of all available raw material sources. Besides the mineral deposits in North Korea, the waters within her 200-mile fishing zone are a lucrative source of fish, which is vital to Japan. The present 200-ton limitation on the size of fishing vessels allowed in these waters makes future negotiations necessary.

Japan's trade volume with South Korea is quite large in dollar value, but it accounts for only 3% of the total Japanese trade. From the South Korean standpoint, 39% of her imports come from Japan and 25% of her exports go to Japan. Furthermore, by the end of 1976 Japanese companies were responsible for 66.6% of the total foreign investment in South Korea in value, and 80% in number of projects.<sup>332</sup> Tourism, growing in popularity in Japan, is an important source of revenue in South Korea. 1976 was an outstanding year for South Korean tourism, 58% of which came from Japan and 20% from the United States.<sup>333</sup>

South Korea has also been saddled with large trade deficits with Japan, and these deficits are increasing over time. According to a Bank of Korea report, South Korea's trade deficits with Japan are:

1962-1966 --	\$ 624 million
1967-1971 --	2,769 million
1972-1976 --	4,179 million. <sup>334</sup>

These chronic trade imbalances eat up the small surplus South Korea earns in her total trade with other countries.<sup>335</sup> Commodity prices in South Korea have risen at twice the rate of advanced nations and the average rate of wholesale price index rise is 18.2%.<sup>336</sup> While the South Korean economy has grown, the great dependence on Japan is obvious. Yet, in times when Japanese trade policy is being criticized world-wide, the value of the South Korean markets to Japan cannot be overestimated.

North Korea, with severe international debt problems, has been unable to secure good credit and extended terms with Japanese banks in her quest to expand trade with Japan. Pyongyang views Japan as a potential major source of economic and technological assistance.

Japan-North Korean trade had been totally insignificant until April 1961 when Japan relaxed the "ban" on trade with North Korea and instituted a "barter system" of trade through a third nation--usually France. In November 1962, the barter restrictions were dropped but trade did not show substantial growth.<sup>337</sup> The trade volume has tended to show little real growth except for the major jumps in the

1967-68 and 1971-72 periods. As Appendix A shows, however, Japanese-North Korean trade has remained substantially at the same level since 1972. The total trade volume, while not insignificant from North Korean or Japanese viewpoints, is still a great deal smaller than the North Koreans and many Japanese would like. This 2-Koreas trade policy of Japan seems to be motivated by other than pure economic desires.<sup>338</sup> While trade does exist and has shown substantial growth since 1967, the fact that it has not exhibited a steady growth is significant. So long as ties can be maintained between Japan and North Korea without alienating South Korea, Japan can soothe the vociferous left wing opposition at home and create an atmosphere whereby access to raw materials can be developed, should they be required for future Japanese economic considerations.<sup>339</sup>

#### C. SUMMARY

Japan is a world economic power who possesses a relatively small Self Defense Force, supported by only one percent of her GNP. These Self Defense Forces, numbering only half the size of North Korea's armed forces, possess excellent anti-submarine warfare and area air defense capabilities. Even though some internal efforts to eliminate the Self Defense Forces have occurred, it appears that they are generally accepted by a wide cross-section of the Japanese population. Japan is presently attempting to produce fighter and anti-submarine aircraft domestically in an effort to upgrade her military hardware inventory.

The LDP has ruled Japan since its inception, but it has steadily lost seats in the Diet, presently holding only a small majority. While the LDP's strong support of the United States-Japan Mutual Defense Treaty appears to have gained universal acceptance with Japan, its strong support of South Korea has not. The Komeito and the JSP are very strong supporters of North Korea, and the JCP, in order to regain political strength, favors direct government negotiations with North Korea to solve the fishing rights problems. Any continued loss of seats by the LDP may force it to consider seriously the pro-North Korean positions of the leftist political parties.

Six hundred thousand Koreans live in Japan as second class citizens. The pro-Pyongyang group, the Chochongnyon, acts as a lobbying group within Japan and functions as the North Korean trade mission. They have used Japan as a gateway into South Korea for espionage and terrorist purposes, however, to Japan's embarrassment. Furthermore, the internal political activities of pro-Seoul, anti-Park Chung-hee groups and pro-Park Chung-hee groups is a threat to Japanese internal security. Presently it appears that Japan will allow these groups to express their political views so long as Japanese laws are not broken.

Japan-United States relations are based on the Mutual Defense Treaty and strong economic ties. The treaty, generally accepted in Japan, commits the United States to Japan's defense in return for base rights on Japanese soil. Their use,

however, in an emergency in Korea would cause great concern in Japan, and while the Japanese government would probably consent to their use, Japan's consent would not be automatic.

Japan's \$11 billion trade surplus, coupled with United States' trade deficits and the 200-mile economic zone wherein Japan must pay over \$100 million in fees, are two sensitive areas of mutual concern.

Japan has diplomatic relations with China and the Soviet Union, but no post-World War II peace treaty has been signed with either. While negotiations with China appear imminent, the question of four northern islands has impeded any treaty negotiations with the Soviet Union. Japan views the Soviet Union as her least popular neighbor and her only true military threat. The 200-mile Soviet economic zone has hurt the Japanese fishing industry, but development of the Siberian natural resources has promise of economic benefit to Japan as well as to the Soviet Union.

China seems willing to sell coal and oil to Japan and to purchase Japanese technology. Both the Soviet Union and China desire to prevent exclusive relations with Japan by each other, and both nations condone the Japan-United States Mutual Defense Treaty for that reason.

Japan's greatest national security goal in Korea is to keep the Korean peninsula stable. She has strong economic ties with South Korea and measured ties with North Korea. While Japan would probably like to develop greater economic relations with Pyongyang, South Korea is quick to exert

pressure against such moves by Japan. The recent fishery talks were most likely not endorsed by the Japanese government due to extensive South Korean pressure. North Korea would like greater ties with Japan and is pushing hard for government-to-government talks.

Japan and Korea have great mutual animosity stemming from the Japanese occupation of Korea (1910-1945). Korean distrust of Japan makes military ties involving Japan unlikely.

Economically, South Korea provides Japan with excellent markets and North Korea's natural resources are potentially valuable sources of raw materials for Japan. South Korea has a large trade deficit to Japan and North Korea's international credit is poor. The North Korean 200-mile economic zone potentially will hurt Japanese fishing interests.

Significantly, North Korean-Japanese trade has not shown steady growth, indicating that Japan's concern is more strategically than economically motivated. Her goal seems to be establishing lines of communication with North Korea in order to exert pressure to keep the peninsula stable, while developing the commercial ties necessary to obtain raw materials in the future.

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339. ibid.

## V. THE NATURE OF THE JAPAN-NORTH KOREA ACCOMMODATION

Considering the prevailing animosity and distrust between the Korean and Japanese peoples,<sup>340</sup> it seems evident that any Korean-Japanese accommodation must be based upon tangible benefits to the nations concerned. Given the present divided Korea where both halves display a unique national interest at the expense of the other, any Japanese accommodation with North Korea must be accomplished in an incremental manner to avoid sharp alienation of South Korea, and to avoid the appearance of any abrupt change in Japanese foreign policy.

While Japan and North Korea have economic and political ties with the Soviet Union and China, they have attempted to chart an equidistant course relative to both Asian powers.<sup>341</sup> Generally, North Korea and Japan do not wish to side exclusively with one power because such action would trigger political repercussions from the other. Also, an equidistant position between the two communist powers can bring advantages to both nations. North Korea has obtained the military and economic support of both China and the Soviet Union; and Japan, while remaining a lightly-armed nation, has been able to establish new raw material sources with both the Soviet Union and China.

North Korea and Japan are aware that they are unable to influence the outcome of the Sino-Soviet power struggle, yet they have been ready to benefit from each nation's attempt to contain the other. The present North Korean-Japan accommodation

is based upon the assumption that the Sino-Soviet power struggle will continue for the foreseeable future. Within this context, North Korea can gain international prestige by successfully pursuing her independent foreign policy with Japan while gaining the technology and capital she has been unable to obtain from the Soviet Union and China. Japan can gain some leverage against the Soviet Union and China through greater vested interests in Communist North Korea,<sup>342</sup> and greater regional economic integration.

The North Korean-Japanese accommodation has two major components: political and economic. Each component seems to show North Korea pushing for greater relations with Japan, while Japan seems to be resisting--up to a point. Japan's "essential" security goal--stability in East Asia--is her primary motivation for seeking an accommodation with North Korea.

#### A. THE POLITICAL ACCOMMODATION

It was pointed out in Chapter II that Japan believes her national interests would best be served with the maintenance of peace and stability in Korea. Furthermore, the volatility of the Korean situation is recognized by all four major powers concerned with Korea, all of whom favor a status quo resolution--a 2-Korea's settlement--as the solution most conducive to their shared national interest--peace and stability.<sup>343</sup> Professor Passin, addressing Japan's interests in Korea, stated:

What Japan really wants is stability in Korea. They are worried about any major destabilizing situation .... If North Korea could peacefully take over South Korea, Japan would not like it, but it would be all right if there is not a big fuss.<sup>344</sup>

It appears that Japan recognizes that if she is to play any role in Northeast Asia that role must be exercised within the context of a lightly-armed, non-nuclear power.<sup>345</sup> Furthermore, her efforts must be focused toward maintenance of peace and stability in Korea, and her policies should reflect her recognition that neither North Korea nor South Korea must gain a sharply destabilizing advantage over the other.<sup>346</sup> Since Japan's international and regional influence lies in the economic and diplomatic realm, it is these fields that Japan must utilize to maintain peace and stability in Northeast Asia.

Japan recognizes that South Korea's economic strength is greater than North Korea's, and even with the proposed United States troop withdrawals from South Korea the Seoul government will be able to muster roughly equivalent military strength with North Korea within a relatively short time. Furthermore, Japan and North Korea are aware that Japan's extensive economic involvement in South Korea, in terms of vast trade and capital investment, has been greatly instrumental in maintaining and strengthening the South Korean regime. North Korea fears, and Japan recognizes, that exclusive Japanese economic ties with Seoul would accelerate South Korea's emerging preeminence on the Korean peninsula, placing North Korea in an untenable situation.<sup>347</sup> The 50-mile military zone established by

Pyongyang mirrors this fear. Japan, if she desires to keep South Korea from attaining a sharply destabilizing advantage over North Korea, must act to strengthen North Korea's economy.

The ruling Liberal Democratic Party is coming under consistently greater pressure to grant some sort of governmental recognition to North Korea. Leftist political parties within Japan are intensifying their efforts to influence the Japanese government to recognize North Korea.<sup>348</sup> The vociferous Korean minority in Japan is a source of continued lobbying, whose desires and potential are undoubtedly considered by the Japanese government. The Japanese press also seems to be more openly in favor of a pro-North Korean effort from Japan.

The Mainichi Daily News on September 8, 1977 recognized that Pyongyang must no longer be ignored, recommending that the Japanese government proceed to normalize relations with North Korea.<sup>349</sup> The Japanese Foreign Ministry, in admitting that Japan intended to promote greater relations with North Korea, seemed to indicate that the political trend of accommodation would be conducted in a manner designed not to harm existing Japan-South Korean relations.<sup>350</sup>

North Korea, by establishing a 200-mile economic zone, has created an issue of potential significance to the Japanese government. In fact, it appears Japan gave serious consideration to endorsing a private fishing agreement with North Korea but succumbed to extensive South Korean pressure to keep the agreement totally private in nature.<sup>351</sup> The interim

agreement, which expires in June 1978, has given Japan some breathing room, but it seems only to put off the inevitable political and economic decision Japan faces: Is possible alienation of South Korea worth the needed access to these fishing grounds? Should the Japanese fishing industry suffer greatly due to exclusion from many worldwide fishing areas, Japanese internal political pressure to grant North Korea some political recognition in return for access to these nearby fishing areas may become intense. In general, Japan realizes that any political acknowledgement of North Korea will strain Seoul-Tokyo relations,<sup>352</sup> but Japan obviously feels that a slow, almost reticent movement toward North Korean recognition will keep her ties with the Seoul government from breaking.

From North Korea's standpoint, while immediate diplomatic ties with Japan are desirable, Kim il-Sung is realistic enough to know that they will not be forthcoming in the immediate future.<sup>353</sup> Such concerns as fishing rights are excellent vehicles with which to convey North Korea's argument that government recognition is necessary, but Kim's willingness to allow the Japanese government to delay a decision on recognition, rather than be forced to move more quickly than she feels is prudent, displays an excellent grasp of the political realities involved between the two governments.

North Korea's diplomatic successes in the Third World are significant. Her ability to secure diplomatic relations with 138 nations (to 142 for South Korea) boosts Pyongyang's claim of international legitimacy and acceptance. This, in turn,

makes her political acceptance by Japan more palatable. Furthermore, the fact that 47 nations have diplomatic relations with both Korea's can be interpreted to reflect growing international recognition of a 2-Korea's settlement. Future less vitriolic behavior by Kim il-Sung would serve to strengthen international willingness to accept the two-Korea's settlement.<sup>354</sup>

North Korea's main foreign policy goal is to reunify the Korean peninsula, but her primary national security goal must be the preservation of the existing Pyongyang regime. The fact that North Korea has serious internal problems concerning succession to leadership and international economic instability indicates that she must be able to solve these immediate problems before embarking on any reunification campaign. Any type of government recognition by Japan, even an endorsement of a private fishing pact, would grant North Korea greater international acceptance, perhaps even to the point of enhancing her international economic position. Japanese recognition of North Korea could bring North Korea closer to resolving international debt problems and, in turn, stabilizing the ruling regime.

The political accommodation between Japan and North Korea is progressing surely, although not nearly as rapidly as North Korea would like. Japan realizes that some government contacts are necessary if she is going to be successful in maintaining peace and stability in Northeast Asia. North Korea desires Japanese political acceptance to stabilize her internal

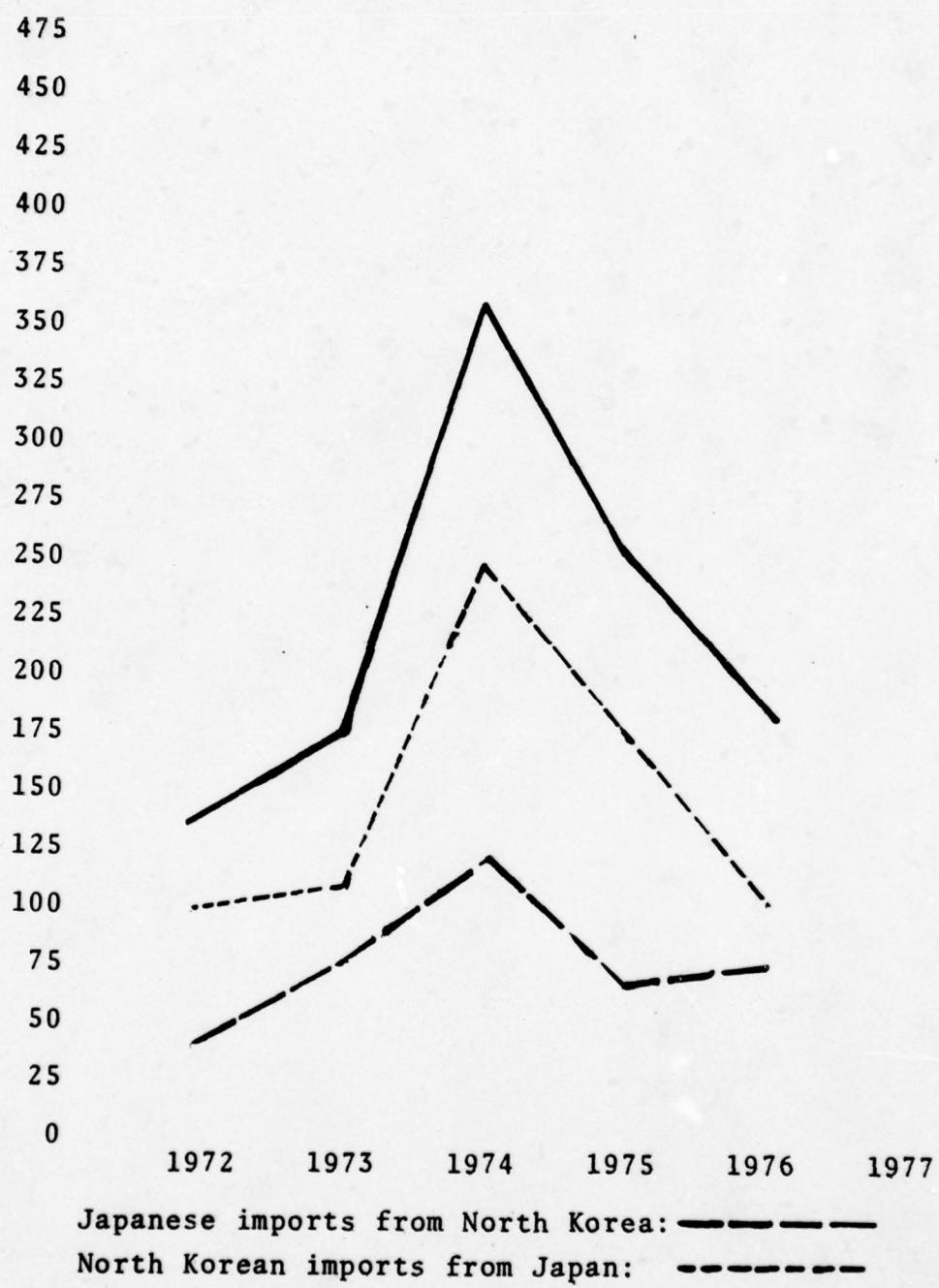
security problems and to open up greater Free World lines of trade. So long as the Sino-Soviet dispute rages, North Korea and Japan will share vested interests with each other. And, so long as these interests can be pursued without severe alienation of South Korea by Japan, Japan and North Korea can further their major security interests by mutual accommodation.

#### B. THE ECONOMIC ACCOMMODATION

At first glance it appears that Japan's quest for new sources of raw materials and North Korea's desire for Western technology are so complementary that economic accommodation between these two countries is inevitable. The added factor of proximity only accentuates the prospective gains to be realized by each country through economic accommodation. Yet, as Figure 3 shows, the trend of economic relations since 1972 has been erratic, with little actual overall change. While the present trade volume between Japan and North Korea is not insignificant, it has not increased to the extent that might normally be expected, given the complementary nature of the trade.<sup>355</sup> North Korea has repeatedly attempted to secure more loans, credits and direct purchase of Japanese industrial products and technology, but she has generally met with Japanese resistance.<sup>356</sup>

Japanese reluctance to expand North Korean trade is based on her judicious use of her economic might in pursuing her primary goal of stability in Korea.<sup>357</sup> Japan, recognizing that the world's supply of raw materials is limited, has great worldwide market "slack," enabling her to increase greatly the

FIGURE 3  
NORTH KOREAN-JAPANESE TRADE<sup>359</sup>



Source: Direction of Trade

export of manufactured goods.<sup>358</sup> Her reluctance to expand raw material imports from North Korea while expanding her exports of finished goods to North Korea is not determined solely by economic considerations. Japan feels, at present, that greatly expanded trade with Pyongyang, while possible, would benefit North Korea to such an extent that the power balance in Northeast Asia would be jeopardized. Japan is careful not to use her primary foreign policy weapon--economic power--in a capricious manner. She is aware that South Korea will outstrip North Korea militarily in a few years, and Japan's strategy seems to be based upon developing economic channels of communication which can be greatly expanded when it is strategically beneficial to do so. Furthermore, Japan would receive the raw materials required for her capital-intensive economy. From a strategic standpoint, the time to expand trade with North Korea would occur when South Korea becomes almost the military equal to North Korea.

By utilizing her great economic power in this manner, Japan can add materially to the stability in Northeast Asia by helping to create and maintain a situation of relative parity between the two Korea's. There is a second factor that must be considered in Japan's economic policy toward North Korea, however--North Korea's unsatisfactory international monetary position. The fact that total trade between the two countries has been declining since 1974 shows the reluctance of Japanese businessmen, who actually conduct the financial transactions, to make strong financial commitments

to a regime with which Japan has no diplomatic relations and which is in such poor financial condition that her endurance may be questioned. North Korea's inability to pay her debts, coupled with an immense outlay for her national defense, undoubtedly constitute an internal security problem of the magnitude that Japanese government guarantees would be required to overcome the general reluctance to invest or grant credit to Pyongyang.

A policy of government guarantees to private businessmen would be interpreted as direct economic assistance by many Free World nations, including South Korea. Specifically, such a policy would be alarming to many and would signal an abrupt shift in Japanese foreign policy--a shift which could be destabilizing at the present time. Hence, further economic involvement in North Korea would be predicated upon Pyongyang's ability to regain a semblance of fiscal responsibility.

Japan desires to maintain economic ties with North Korea, not for their immediate, direct benefit but for their political importance as lines of quasi-official communication. These economic ties constitute the foundation for expanded future trade with North Korea--trade deemed essential to maintain the relative military-economic parity between the two Korea's, while establishing a new major source for raw material imports.

#### C. SUMMARY

North Korea, to attain the level of international recognition she deems necessary, needs political recognition by Japan and the economic boost Japanese trade can bring.

Japan desires to maintain peace and stability in Northeast Asia and to secure future new sources of raw materials. This is the nature of the North Korean-Japanese accommodation. It is realistic in view of the position both nations maintain relative to China and the Soviet Union, and it recognizes South Korea's permanence as a nation. This "new order" in Asia relies heavily on the political and economic integration of North Korea with Japan.<sup>360</sup>

The prospect of permanent division of Korea and North Korea's growing international status are great incentives for Japan to normalize relations in the foreseeable future-- or at least to establish some form of government-to-government ties.<sup>361</sup> Yet, a divided Korea may not be an enduring reality. Whether the strong Korean nationalism will prove to destroy the peace in Korea remains to be seen, but Japan's Korean policy is designed to create a situation where both Korea's possess relative economic-military parity. If Korean reunification should come about, Japan's policy is designed to create an atmosphere wherein both sides, as relative equals, will be forced to combine peacefully. The resulting form of the Korean nation, while it may not be totally friendly with Japan, would most likely not be hostile either.<sup>362</sup>

## FOOTNOTES FOR CHAPTER V

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## VI. UNITED STATES SECURITY INTERESTS

The Japan-North Korea accommodation has specific implications for the security interests of the United States. Depending on the success of the accommodation, United States policy options will be structured upon such considerations as any change in Japanese considerations of the scope and role of the Self-Defense Forces, Japanese internal politics, American ability to maintain a presence in the Western Pacific, and the political status of the Korean peninsula.

Paramount in United States policy options for Northeast Asia must be the maintenance of peace and stability in that area of the world while avoiding any big-power confrontation. The Japan-North Korea accommodation, based on the national interests of those nations as described in this work, could accelerate, reaching a positive conclusion; could remain as is, with little or no progress; or it could fail, leaving relations between North Korea and Japan in a worse condition than presently exists. This chapter will discuss the effect that such trends could have in Northeast Asia and on the security interests of the United States.

### A. CASE 1: SHOULD THE ACCOMMODATION REACH POSITIVE RESULTS

If the North Korea-Japan accommodation succeeds to a point of expanded economic relations with government-to-government contact, Japan would have succeeded in diversifying her sources

for raw materials and establishing better methods of communication with her neighbor. North Korea would have gained the international prestige and the economic benefits which are required to resolve her acute financial troubles and impart internal stability.

In Japan, a successful North Korean accommodation would probably result in continuation of the present role and scope of the Self-Defense Forces and the Mutual Security Treaty with the United States. Should better relations with North Korea evolve, with the concurrent development of nearby sources of raw materials, Japan would enjoy a relatively more stable regional situation in which she would be a highly visible partner in large scale regional economic integration. The Self-Defense Forces, receiving about one percent of the gross national product in 1977, could maintain the present trend of qualitative improvement of defensive capabilities. With a \$10 billion defense budget in 1968, which would be roughly one percent of the GNP at reasonable economic growth rates,<sup>363</sup> the Self-Defense Forces would be sufficiently strong to provide large-area defense of Japan against any conventional threat. This gradual strengthening of defensive forces, within the context of the United States-Japan Security Treaty, would be generally non-provocative, especially in the eyes of the Koreans and the Chinese.<sup>364</sup> Should a Japan-North Korea accommodation succeed, it appears that the Self-Defense Forces will exhibit gradual growth, funded by one percent of Japan's GNP. A defensive force, more capable of area defense

close to the Japanese homeland is the most probable role and scope of the Self-Defense Forces.

If the Self-Defense Force were maintained within this scope, Japan would still rely on the United States for strategic deterrence and defense of her distant sea lanes. Her strong dependence on distant raw materials make this latter commitment extremely important. In return for this military commitment by the United States, Japan would likely continue to accept the condition of the Mutual Security Treaty, giving the United States base rights in Japan. She would, however, maintain final control over their use by the United States for any emergency, including one in Korea. While she has emphasized this position in 1977,<sup>365</sup> closer ties with North Korea would prompt Japan to reiterate it in unequivocal terms.

Japan would attempt to ensure that she would not automatically become involved in any Korean conflict because of United States actions, while securing the military commitment of the United States to protect Japan's distant sea lanes and provide strategic deterrence. Franklin Weinstein's assertion that, "The military facilities maintained in Japan by the United States have been, and remain, of major importance to the maintenance of America's strategic posture in Asia."<sup>366</sup> has been supported by Admiral Noel Gaylor, the Commander-in-Chief of the Pacific.<sup>367</sup> The fact that the United States views Japanese bases to be extremely important suggests that Japan could successfully pursue this defensive military policy within the context of the Mutual Security Treaty.

Should an accommodation between Pyongyang and Tokyo come to fruition, depriving the Japanese leftist parties of a major political issue, the question of the possible utilization of American bases in Japan could become the major leftist issue. Surely, so long as Japan chooses to rely on American military power for strategic deterrence and protection of her distant sea lanes, these base facilities would be made available to the United States subject to Japanese approval on their use in any conflict. This visible presence of American military power in the Western Pacific is a potent declaration of American willingness and ability to ensure peace and stability in Northeast Asia.<sup>368</sup> It would continue to counter Soviet and Chinese military power, reaffirming the American military commitment toward Japan and South Korea. Yet, the leftist parties would be willing to exploit the American presence should it adversely affect Japan in her dealings with China or the Soviet Union.

If the ruling LDP could engineer a successful accommodation with North Korea, the problems of internal party politics and the Korean minorities in Japan could be defused. The growing leftist and intellectual support of an accommodation with North Korea would be mollified to the extent that a major political issue would be denied to the JSP and Komeito. The LDP's stature as a pragmatic party able to engineer practical policies would also be enhanced. Furthermore, the securing of proximate sources of raw materials for the Japanese economy would bolster the LDP's support by Japanese mercantile interests.

The pro-North Korean Chochongnyon would obviously favor any Japanese acceptance of North Korea. A two-Korea's policy would enhance the stature of this group within the Korean residents' community, and it would seem to give momentum to their cause. The fact that Japan proved to be "even-handed" with both Korea's obviously would not please totally both groups of Korean residents, but by recognizing the legitimacy of both "mother countries" it could defuse a potentially volatile internal security problem. The Japanese government could then negotiate an agreement on the status of those Koreans loyal to North Korea and insist that all political activity in Japan which is directed against another country cease, or those found guilty face deportation.

A key variable, and the one least likely to be predicted, is the status of the political situation on the Korean peninsula. It is assumed in this paper that a successful accommodation can be achieved when both Korea's have achieved relative parity in the military-economic field. If Japan's policy can successfully bring about relative parity between the two Korea's, regardless of any policy of cross-recognition by the other three powers, it can serve to aid in Korean reunification.

In general, the four major powers favor the maintenance of two Korea's, while the Korean people have to balance the benefit of a united Korea with the compromises necessary to bring such a situation about.<sup>369</sup> In short, any united Korea can emerge only from within the peninsula. Professor Henderson

noted that Korean nationalism was resurgent and that Kim's personality cult does have nationalistic components. Furthermore, South Korea's abandonment of the American model of democracy seems to be suitable for reconciling the political position of North Korea,<sup>370</sup> albeit any unified Korea would not likely be modeled after a Western democracy.

Realistically, a successful Japanese-North Korean accommodation would be vociferously opposed in Seoul. South Korea would be outraged by an overt move toward Pyongyang, straining South Korean-Japanese relations to their very limit. Yet, the extensive economic intercourse between Japan and South Korea must be evaluated realistically in Seoul as a tangible Japanese commitment to South Korea's existence. Seoul, understandably frustrated by a Japan-North Korea accommodation, must realize that Japan has a great interest in Korean stability and the South Korean economic ties. As an independent nation she would be forced to evaluate her own national objectives in the light of political reality. Reaction by severing ties with Japan would destroy South Korean economic growth and stability, further benefiting North Korea. A major move to create stronger trade ties with Western Europe,<sup>371</sup> at Japan's expense, might be a more realistic South Korean reaction.

A successful move toward North Korea could create the regional situation discussed by Prime Minister Fukuda in his televised news conference:

In concrete terms, the best way is for the two sides to hold a dialogue. Japan should cooperate as a neighbor in helping to create such an atmosphere. I think that there is a way. I am not in a position to say specifically what Japan will do.<sup>372</sup>

While the culmination of a two-Korea's policy may not be enough to counter the big-power preference for a peaceful, but divided Korea, it would not necessarily hurt the Korean situation. It might force both Korea's into earnest dialogue concerning the political solution which would best benefit the Korean people.

From the United States' viewpoint, a positive Pyongyang-Tokyo accord could enable the United States to avoid big-power confrontation in Asia by removing the "tripwire" created by the presence of United States troops in South Korea. So long as relative military parity exists between the two Korea's, the United States could withdraw her troops from the Korean peninsula, relying on the naval forces of the Seventh Fleet and forward-deployed Air Force units to project her military power.

The United States, in response to a successful North Korean-Japanese accommodation, could promote peace and stability in Northeast Asia by:

- (1) Maintaining a strong air force and naval presence to counter Soviet and Chinese military power, and
- (2) Adopt a policy geared to obtain Soviet and Chinese recognition of South Korea in return for United States recognition of North Korea, obtaining guarantees from the big powers insuring the security of both Korea's.

The strong American military presence in the Western Pacific can be maintained with air and naval forces utilizing

Japanese bases. Such a posture would essentially continue present American military policy. Removal of United States troops from South Korea, when Seoul can independently insure her own survival against a North Korean attack, would no longer guarantee United States involvement in a Korean conflict. The units of the Seventh Fleet and Air Force units based in Japan and Okinawa could be maintained in numbers large enough to constitute a credible military force.

A cross-recognition plan would constitute a shift in United States policy. If it were accompanied with guarantees by the four powers, however, it would not appear as a manifestation of American abandonment of South Korea. In fact, given South Korea's quest for Soviet rapproachment, any United States initiative to secure Soviet recognition of Seoul would give South Korea a strategic and psychological boost. With the continued military support of the United States, Seoul would likely accept a settlement whereby the United States would recognize North Korea in return for Soviet recognition of Seoul.

In an era of successful Japanese-North Korean accommodation, Chinese willingness to accept a four-power cross-recognition plan would become crucial. Since China values highly North Korea's importance as a buffering state, she would jealously guard against the infusion of Western influence there. The overall advantage in gaining South Korean recognition appears to center around increasing China's influence in Korea, especially if a reunified nation should subsequently emerge. A major impediment to Chinese acceptance of a

cross-recognition plan would be the parallel which might be drawn with Taiwan.<sup>373</sup> Furthermore, Soviet rapprochement with South Korea might deter China from renouncing her recognition of Pyongyang as the sole legitimate government in Korea.

The fact that the trend toward cross-recognition of both Korea's would have been initiated by lightly-armed, non-nuclear Japan might temper Chinese resistance, especially in the face of strong South Korean resentment toward Tokyo. Furthermore, so long as the United States retained the South Korean Mutual Security Treaty, close ties with North Korea would not be forthcoming. So long as Japanese-Chinese relations are good, a cross-recognition plan in Korea might be accepted by China. A successful Japanese-North Korean accommodation would mean Japanese technology, rather than the military might of any other nation, served as the medium to initiate Western ties with North Korea. Full cross-recognition by the other three powers could then be pursued positively by the United States.

B. CASE 2: SHOULD THE ACCOMMODATION CONTINUE ITS PRESENT TREND WITH LITTLE RESULTS

Should the present situation in Northeast Asia continue, showing little relative change in the Japan-North Korea relationship, the area would be one of growing uncertainty. Seoul, genuinely distrustful of the Japanese, would most likely continue to exert political pressure on Japan while looking toward Europe to diversify her sources of investment and trade. Pyongyang, uncomfortably watching the growing strength of the

South Korean regime, would likely become bitter over Japanese reluctance to pursue closer ties. Japan, unwilling to move more forthrightly toward North Korea, would encourage greater internal political discord over this issue and over the status of the Self-Defense Forces.

So long as the Korean question is unsettled, Japan will remain in a region of growing uncertainty. Such a situation would prompt Tokyo to consider seriously whether her security could adequately be maintained as a lightly-armed power, relying on United States' deterrent force. Furthermore, the question of utilization of Japanese bases for an emergency in Korea would become increasingly tenuous. Should an emergency in Korea occur, which cannot be discounted in an uncertain political atmosphere, Japan might find it impossible to escape being drawn into a conflict by the United States.<sup>374</sup>

In 1975, Prime Minister Miki declared:

Japan is, constitutionally and by the deep-rooted convictions of its people, a non-military state. We have forewarn the acquisition of offensive weapons, and will never acquire nuclear weapons. I believe this stance is a positive contribution to Asian peace-building.<sup>375</sup>

This statement of Japan's military intentions indicates that she will attempt to continue to rely on United States' deterrent force for her overall security. The United States, however, under the Nixon doctrine seems to desire Japan to undertake a greater role in overall regional security. In an era of uncertainty, Japan may question whether the United States would abandon Japan, especially after Vietnam and upon removing her troops from South Korea.<sup>376</sup> The temptation to

expand the Self-Defense Forces, spending three or four times the current rate of GNP investment, would be initially great, but the counter-action--remaining a lightly-armed power while pursuing a role of greater neutrality--might subsequently prevail.

As a lightly-armed power in an era of regional uncertainty, Japan would alarm neither China nor Korea, and by pursuing a more neutral policy in response to the lack of credible American deterrence, Japan would actually become less likely to be drawn by the United States into a conflict in Korea. Furthermore, the Self-Defense Forces have been conservatively evaluated as capable of repulsing up to ten Soviet divisions attempting to land on Japanese soil. With other global considerations, it is not conceivable that the Soviet Union would divert so many divisions from Eastern Europe or the Chinese border to launch an attack on Japan.<sup>377</sup> Any growing capability of the Self-Defense Forces to defend Japan's sea lines of communication, except for distant regions, could be achieved by this overall defense policy. In reality, the present level of defense is sufficient for Japan to defend herself, alone, from anything except an all out invasion by the Soviet Union or China, or a serious global effort to stop distant flow of resources to Japan. In hearings before the House Subcommittee on Future Foreign Policy, Professor Clough pointed out the strategic significance of the Malacca Straits to Japan, but affirmed Japan's intent was to protect them by building up diplomatic relations with nations in that region--not by

building up their armed forces.<sup>378</sup> The question for Japan, should the credibility of the United States' deterrent be questioned, is not rearmament but whether to pursue a quasi-neutral foreign policy.

For Japan, if the North Korean accommodation progresses slowly, or not at all, the LDP would most probably face strong, growing opposition from the leftist parties. Furthermore, use of the Chochongnyon to lobby for North Korean interests would increase, creating a volatile situation within the Japanese Korean minority. Should the Japan-North Korea accommodation stagnate, the LDP's thin majority would be faced with growing regional discontent. Japan's security would be entrusted to a lightly-armed Self-Defense Force, reliant upon a United States deterrence of increasingly questionable value. A policy which could not alleviate the regional tension nor quell growing unrest within Japan could lose the support of the Japanese voters. While the LDP has generally been looked upon as the party which can "get things done," an uncertain situation in Northeast Asia might convince the Japanese voters that leftist ideas are relevant to reducing regional tension. Whether the LDP would be able to retain power amidst growing criticism would remain to be seen, however such issues as fishing rights and raw material diversification would have to be addressed realistically. Failure to address these goals might spur the Japanese to elect a new government which would accept leftist doctrine.

From Korea's standpoint, failure of the Japan-North Korea accommodation to progress at a moderate rate would be viewed

favorably by South Korea who desires to prolong the Korean division until she achieves undisputed preeminence on the peninsula. North Korea, conversely, would appear to be beginning hard and receiving little in return. Should North Korea perceive Japanese policy to promote Seoul's position, she could be tempted to secure Soviet economic and military assistance, abandoning her equidistant policy between the two Communist giants. This policy, should it be adopted, would signal Pyongyang's impatience with Japan and her willingness to accept advancing Soviet influence. The entire area would undoubtedly view such a situation with alarm. Furthermore, should North Korea feel threatened, or feel forced to negotiate through weakness, the prospects for reunifying Korea peacefully would be reduced.<sup>378</sup> An equitable, enduring settlement in Korea must be predicated upon two relatively equal entities attempting to seek a common solution.

From the United States' viewpoint, questionable success of the Japan-North Korea accommodation would retain Japanese enthusiasm for a strong United States military presence in Northeast Asia. As time goes on, however, the United States must pursue a policy in Northeast Asia which would defeat any trend toward Japanese neutralism<sup>379</sup> and North Korean alliance with the Soviet Union.

Primarily, the United States must maintain an honest and credible deterrent. If possible, the United States could remove her ground troops from South Korea, thereby avoiding a potential direct big-power confrontation. The forward-deployed

air and naval forces in the Western Pacific, ready to honor American treaty commitments, would be the visible deterrent force. Strong public pronouncements and honest consultation with Japan and South Korea regarding regional security requirements would also be necessary.

To maintain a credible deterrence, the United States must define Japan to be strongly within her national security interests and pledge support in relation to that position. We must do the same for South Korea and avoid troop withdrawal until South Korea is the military equivalent of North Korea. If, however, vociferous objection by Japan and South Korea toward removal of American ground troops from South Korea occurs, the United States would then find it difficult to remove them and maintain a credible deterrent. In that case, United States effort must be aimed, with that of Japan and South Korea, toward defusing volatile regional situations which would call the credibility of our deterrent into effect.

From a regional standpoint, closer United States ties with North Korea must be predicated upon removal of American troops from South Korea. The United States, in her quest for regional stability, must be willing to pull her troops from South Korea, but only after South Korean security can be assured and with the consent of Seoul and Tokyo. Japan could pursue a policy of gradually increasing relations with North Korea, so long as Sino-Japanese relations are relatively good and so long as United States support is strong. Gradual Japanese movement toward North Korea might not be feared by

China, who traditionally does not desire strong neighbors or weak neighbors allied with strong nations. The United States could act to offset the intense South Korean opposition to a pro-North Korean policy by Japan, which would manifest itself in a relatively short time considering the regional uncertainty.

South Korea's opposition, under such circumstances, would be specifically orchestrated to force Japan to cease her pro-Pyongyang policy. Yet, South Korea must be reminded that the United States possesses the military might in the Japan-South Korea-United States triangle and that the military balance has not shifted toward Pyongyang. If the initial Japanese move toward North Korea were successful, the United States could then act within the United Nations to initiate a full cross-recognition plan for both Korea's. If United States troops were still present in South Korea, they could be removed at the plan's inception, upon obtaining guarantees of non-interference from China and the Soviet Union.

A situation in which North Korea might potentially move closer to the Soviet Union could be averted by a cross-recognition scheme, but such a plan might thereby be opposed by Moscow. If the present political situation appeared to benefit the Soviet Union, to China's detriment, the pro-North Korean policy of Japan and the United States might encounter Chinese support, but Soviet resistance. Soviet resistance could be fatal, but North Korea's dogged reluctance to be subordinated to either China or the Soviet Union could be

reflected in her willingness to obtain Western aid despite her growing impatience. Thus, such a plan might be plausible.

#### C. CASE 3: SHOULD THE ACCOMMODATION FAIL

If the North Korea-Japan accommodation fails, leaving relations between the two countries in worse condition than exists at present, both nations would have failed to secure the benefits the accommodation could bring. Each nation would, accordingly, be strongly tempted to seek other solutions.

Japan, failing to diversify her sources of raw materials, would remain dependent on sources far from her borders.

Severing of prospective ties with North Korea would deprive Japan of a lever to be used against the Soviet Union, and the nearby Soviet naval presence would constitute an ominous threat to Japan's sea lines of communication. In fact, by acting within the context of the United States-Japan Mutual Security Treaty, Japan could embark on a campaign to strengthen her Self-Defense Forces, enhancing her indigenous capability to keep her distant sea lines of communication open. By focusing three to four percent of her GNP into the Self-Defense Forces, Japan, while eschewing nuclear weapons, could upgrade these Self-Defense Forces considerably.<sup>380</sup>

Any significant increase in Japanese military spending subsequent to a failure of a Tokyo-Pyongyang accommodation, would be alarming for China and both Korea's. The spectre of nuclear proliferation is also unpleasant and still feared. In addition, the South Korean military remains unprepared.

could force North Korea to side closer with the Soviet Union for military and economic support. China would then feel doubly uncomfortable--Japanese militarism in addition to North Korean-Soviet rapprochement would not be at all welcomed by China.

This added capability of the Self-Defense Forces, urged presently by the United States,<sup>381</sup> would make continued American military support mandatory for the period in which Japan was involved in upgrading her forces. Japan is acutely aware that increased Japanese military capability would be viewed with alarm in Northeast Asia, and she would have to convince China that such a move was within the bounds of the Security Treaty. Furthermore, United States support of Japan, including strong reaffirmation of the commitment to deter aggression, would be necessary to portray a Japan building up her military posture in a defensive manner, not moving away from the United States.

Failure of the North Korea-Japan accommodation would have specific repercussions within Japan. The ruling LDP would widen the schism between the ruling party and the leftist parties over the North Korean question, eliminating the needed middle ground upon which compromises are made. No doubt the breakdown between the two countries would result in lost opportunity for new sources of raw materials and access to fishing grounds, which are necessary for the Japanese livelihood. Furthermore, it would signal de facto closer ties with South Korea. The leftist ability to articulate a pro-North

Korean position has grown in recent years, and the logic would still be applicable. In short, the LDP, failing to incorporate the North Korean issue, could not defeat it totally either. Quite possibly the LDP would retain the leadership for a while, but the opposition would be more able to capitalize on this issue, coupled with the proven inability of the LDP to carry out a pro-North Korean policy. The LDP could face a serious challenge to its leadership in a very short time.

The Chochongnyon would undoubtedly become more bitter toward the Japanese government and, with urging from Pyongyang, could engage in various disruptive tactics to emphasize the failure of the Japanese government to secure an accommodation with Pyongyang. This situation would be distressing for the LDP and would serve to accentuate its failure. Failure in any foreign policy endeavor could be fatal for the ruling LDP.

If the failure of the accommodation would tend to polarize Japanese internal politics while alarming Koreans and Chinese, it would also serve to widen the gulf between the two Korea's. South Korea, willing to wait until she emerges as the pre-eminent power on the Korean peninsula, would undoubtedly welcome the breakdown between the two countries. North Korea, conversely, would find herself more isolated and more in need of economic and military support. Without it, she could not hope to negotiate with South Korea on favorable terms. Her national survival could depend on strengthening the Pyongyang regime dramatically. Most likely she would consider enlisting

the support of the Soviet Union in return for concessions demanded by Moscow.<sup>382</sup> Greater Soviet influence at China's expense would be the obvious Soviet demand, along with abandonment of any "independent" foreign policy. While this would be a bitter pill for North Korea to swallow, it would probably be the only way she could obtain the necessary support required for national survival, which is predicated upon maintaining relative parity with Seoul.

The question of Korean reunification, as stated earlier, must be solved between the two Korea's. With the Soviet Union favoring a two-Korea's settlement, it seems that Korean reunification would be set back should North Korea resort to close ties with the Soviet Union. A North Korea, inferior militarily and economically to South Korea, strongly reliant on the Soviet Union, would be primarily concerned with national survival.

The United States, viewing this situation in Northeast Asia, would have a more difficult task in maintaining peace and stability. Fundamentally, as Japan's dissatisfaction with North Korea mounts, the United States must insure she can project a deterrent acceptable to Japan, while limiting the scope and rapidity of any Japanese defense build-up. While an overt Japan-North Korea rift would be inherently destabilizing, the United States would have to minimize any further destabilization of the situation. So long as Japanese defense spending remained around one percent of the GNP, her policy would not be viewed as a further disruption of the status quo in Northeast Asia.<sup>383</sup>

Japan would have reason to rely greater on United States military power to keep her distant sea lanes open and to project a credible strategic deterrence. While this would ostensibly strengthen the Japan-United States alliance, Japan would examine the American commitment with harsh objectivity. The United States may be called upon to keep ground troops in South Korea as a "guarantee" of American involvement in the strategic equation ensuring peace and stability in Northeast Asia. Such a request would act to keep the United States in a direct big-power confrontation, but given a North Korean-Japanese rift, the presence of American troops may be required to emphasize the strong United States commitment to the peace and stability of the region. If North Korea must secure Soviet aid to survive, however, the United States might pursue a policy of mutual restraint with the Soviet Union concerning both Korea's, designed to avoid any direct American-Soviet confrontation. Yet, such a policy, if made on a bilateral basis, might adversely affect American-Chinese relations.

A quadrilateral cross-recognition plan for both Korea's would be a good way to keep North Korea from gravitating closely toward the Soviet Union, and it might enable the United States to remove the "tripwire" from Korean soil. Such a plan would be most difficult to implement, however, because of the regional hostility and the potential opportunity for the Soviet Union to contain China further in North Korea. China could seemingly acquiesce to such a plan in order to combat growing Soviet influence, accepting some Western

ties with North Korea more easily than extensive Soviet ties.

Any successful cross-recognition plan must have concurrent guarantees from the four major powers. Such guarantees, predicated on non-interference in an intra-Korean conflict, might eliminate any potential big-power confrontation in Korea. It might also persuade Japan to retain her lightly-armed status without requiring dangerous guarantees of commitment from the United States.

With the heightened regional hostility and the potential gains to be made by the Soviet Union, the success of such a plan would be highly questionable. If the two Korea's were not relatively equal in the economic-military realm, such a cross-recognition plan would serve to leave half of the peninsula at the mercy of the other. Such a situation, coupled with big-power restraint, would not be conducive to Korean tranquility. Furthermore, should North Korea insist on the removal of United States troops from South Korea prior to embracing any relations with the United States, the United States may be forced to chose whether to pursue a cross-recognition scheme or to emphasize her commitment to Japan and South Korea. The overall benefits of a successful cross-recognition plan under these circumstances are great, but the possibility of its success appears to be remote. American security interests would best be preserved by strengthening the Japan-United States alliance and keeping a strong military presence in the Western Pacific.

Regardless of the trend taken by the North Korean-Japanese accommodation, it seems evident that the United States must take the initiative to ensure that her security interests in this volatile area are preserved. A positive outcome seems to be in the best interest of the United States, who could follow Japan's lead, pushing for cross-recognition of both Korea's in an era of generally positive feelings. It seems likely that sooner or later, unless a dramatic North-South breakthrough occurs, a cross-recognition plan of some kind will be necessary. Hopefully, it can be accomplished in a positive, creative manner, and not as a reaction to events which could have been predicted, given the national interests of the nations concerned. Korean reunification is then possible, so long as both halves of the Korean nation can negotiate from strength. Japan's North Korean accommodation, if it succeeds, could place both Korea's in that positive negotiating position.

#### FOOTNOTES FOR CHAPTER VI

363. Rowen, pp. 200-201.
364. ibid., pp. 201-203.
365. Ryukyu Shimpo, July 22, 1977, as quoted in FBIS, July 25, 1977.
366. Weinstein, p. 1.
367. U.S. Congress, House Committee on International Relations, Hearings before the Subcommittee on Future Foreign Policy, 94th Congress, 1975-76, p. 38.
368. Duk-joo Kim, p. 526.
369. Le Young-ho, p. 136; and Chun Chung-whan, "The Divided Nation in International Detente and Korea's National Security" East Asia Review, II, pp. 173-174.
370. Gregory Henderson, "The United States and South Korea," Korea and the New Order in East Asia, pp. 104-105.
371. Haptong, October 3, 1977, as quoted in FBIS, October 3, 1977.
372. Prime Minister Fukuda's press conference, aired on JOAK television, as quoted in FBIS, July 15, 1977.
373. Ha and Lueggert, p. 742.
374. Weinstein, p. 6.
375. U.S. Congress, House Committee on International Relations, Hearings before the Subcommittee on Future Foreign Policy, 94th Congress, 1975-76, p. 30.
376. The Christian Science Monitor, July 13, 1977.
377. Far Eastern Economic Review, September 30, 1977, p. 27.
378. U.S. Congress, House Committee on International Relations, Hearings before the Subcommittee on Future Foreign Policy, 94th Congress, 1975-76, pp. 80, 37.
379. ibid, p. 65.
380. Rowen, pp. 201-203.
381. Kyodo, August 2, 1977, as quoted in FBIS, August 2, 1977.

382. See Yong C. Kim, p. 10, and KCNA, October 24, 1977, as quoted in FBIS, October 28, 1977.

383. Clough, East Asia and U.S. Security, p. 4.

## APPENDIX A

JAPANESE TRADE STATISTICSJAPANESE TRADE WITH THE UNITED STATES AND  
SOUTH KOREA\* (in \$1,000,000)

<u>YEAR</u>	JAPAN EXPORTS TO		JAPAN IMPORTS FROM	
	<u>U.S.</u>	<u>(SOUTH KOREA)</u>	<u>U.S.</u>	<u>(SOUTH KOREA)</u>
1966	3,009.8	(334.8)	2,658.1	(72.0)
1967	3,048.8	(407.0)	3,212.7	(92.4)
1968	4,132.7	(602.7)	3,528.6	(101.6)
1969	5,017.1	(767.3)	4,094.1	(133.9)
1970	6,015.0	(818.2)	5,564.3	(229.0)
1971	7,616.9	(857.1)	4,983.0	(273.6)
1972	8,981.3	(980.5)	5,855.7	(426.1)
1973	9,572.9	(1,792.7)	9,277.7	(1,214.1)
1974	12,928.5	(2,655.1)	12,681.0	(1,566.6)
1975	11,242.4	(2,246.4)	11,617.8	(1,306.7)
1976	15,922.9	(2,828.4)	11,864.5	(1,919.1)

\*Source: Direction of Trade

JAPANESE TRADE WITH THE SOVIET UNION AND  
CHINA\* (in \$1,000,000)

<u>YEAR</u>	JAPAN EXPORTS TO		JAPAN IMPORTS FROM	
	<u>USSR</u>	<u>(CHINA)</u>	<u>USSR</u>	<u>(CHINA)</u>
1966	215.0	(315.2)	300.4	(306.2)
1967	157.7	(288.3)	454.0	(269.5)
1968	179.0	(325.5)	463.5	(224.2)
1969	268.3	(390.8)	461.6	(234.6)
1970	340.9	(568.9)	481.0	(253.8)
1971	377.7	(578.5)	496.1	(323.3)
1972	504.8	(609.7)	593.2	(491.1)
1973	487.5	(1,042.3)	1,078.2	(974.2)
1974	1,094.8	(1,983.2)	1,416.8	(1,304.0)
1975	1,625.9	(2,258.2)	1,168.8	(1,529.4)
1976	2,254.2	(1,665.8)	1,169.3	(1,372.7)

\*Source: Direction of Trade, published by  
The International Monetary Fund,  
Washington, D.C.

JAPAN-NORTH KOREA TRADE STATISTICS\*  
 (in \$1,000,000)

<u>YEAR</u>	<u>(NORTH KOREA IMPORTS FROM JAPAN)</u>	<u>(NORTH KOREA EXPORTS TO JAPAN)</u>
	<u>JAPAN EXPORTS TO NORTH KOREA</u>	<u>JAPAN IMPORTS FROM NORTH KOREA</u>
1966	4.9	22.8
1967	8.2	29.6
1968	20.8	34.0
1969	24.2	32.2
1970	23.3	34.4
1971	28.8	29.6
1972	93.4	37.8
1973	100.7	72.5
1974	251.7	108.7
1975	181.1	64.8
1976	96.4	71.9

\*Source: Direction of Trade

APPENDIX B

JAPAN-UNITED STATES JOINT COMMUNIQUES

THE 1969 SATO-NIXON COMMUNIQUE

1. President Nixon and Prime Minister Sato met in Washington on Nov. 19, 20, and 21 to exchange views on the present international situation and on other matters of mutual interest to the United States and Japan.

2. The President and the Prime Minister recognized that both the United States and Japan have greatly benefited from their close association in a variety of fields, and they declared that, guided by their common principles of democracy and liberty, the two countries would maintain and strengthen their fruitful cooperation in the continuing search for world peace and prosperity and in particular for the relaxation of international tensions. The President expressed his and his Government's deep interest in Asia, and stated his belief that the United States and Japan should cooperate in contributing to the peace and prosperity of the region. The Prime Minister stated that Japan would make further active contributions to the peace and prosperity of Asia.

3. The President and the Prime Minister exchanged frank views on the current international situation, with particular attention to developments in the Far East. The President, while emphasizing that the countries in the area were expected

to make their own efforts for the stability of the area, gave  
assurance that the United States would continue to contribute  
to the maintenance of international peace and security in the  
Far East by honouring its defence treaty obligations in the  
area. The Prime Minister, appreciating the determination of  
the United States, stressed that it was important for the peace  
and security of the Far East that the United States should be  
in a position to carry out fully its obligations referred to  
by the President. He further expressed his recognition that,  
in the light of the present situation, the presence of U.S.  
forces in the Far East constituted a mainstay for the stability  
of the area.

4. The President and the Prime Minister specifically noted  
the continuing tension over the Korean peninsula. The Prime  
Minister deeply appreciated the peace-keeping efforts of the  
United Nations in the area and stated that the security of the  
Republic of Korea was essential to Japan's own security. The  
President and the Prime Minister shared the hope that Communist  
China would adopt a more cooperative and constructive attitude  
in its external relations. The President referred to the treaty  
obligations of his country to the Republic of China, which the  
United States would uphold. The Prime Minister said that the  
maintenance of peace and security in the Taiwan area was also  
a most important factor for the security of Japan. The Presi-  
dent described the earnest efforts made by the United States  
for a peaceful and just settlement of the Vietnam problem. The  
President and the Prime Minister expressed the strong hope that

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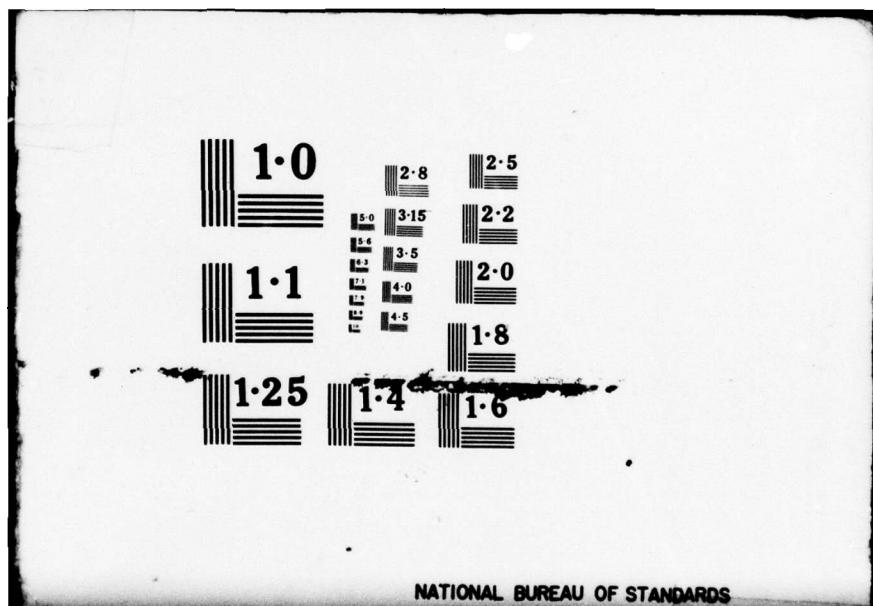
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the war in Vietnam would be concluded before return of the administration rights over Okinawa to Japan. In this connection they agreed that, should peace in Vietnam not have been realized by the time reversion of Okinawa is scheduled to take place, the two Governments would fully consult with each other in the light of the situation at that time so that reversion would be accomplished without affecting the United States' efforts to assure the South Vietnamese people the opportunity to determine their own political future without outside interference. The Prime Minister stated that Japan was exploring what role she could play in bringing about stability in the Indo-China area.

5. In light of the current situation and the prospects in the Far East, the President and the Prime Minister agreed that they highly valued the role played by the [U.S.-Japanese] Treaty of Mutual Cooperation and Security in maintaining the peace and security of the Far East including Japan, and they affirmed the intention of the two Governments firmly to maintain the treaty on the basis of mutual trust and common evaluation of the international situation. They further agreed that the two Governments should maintain close contact with each other on matters affecting the peace and security of the Far East including Japan, and on the implementation of the Treaty of Mutual Cooperation and Security.

6. The Prime Minister emphasized his view that the time had come to respond to the strong desire of the people of Japan, of both the mainland and Okinawa, to have the administrative

rights over Okinawa returned to Japan on the basis of the friendly relations between the United States and Japan, and thereby to restore Okinawa to its normal status. The President expressed appreciation of the Prime Minister's view. The President and the Prime Minister also recognized the vital role played by U.S. forces in Okinawa in the present situation in the Far East. As a result of their discussion it was agreed that the mutual security interests of the United States and Japan could be accommodated within arrangements for the return of the administrative rights over Okinawa to Japan. They therefore agreed that the two Governments would immediately enter into consultations regarding specific arrangements for accomplishing the early reversion of Okinawa without detriment to the security of the Far East including Japan. They further agreed to expedite the consultations with a view to accomplishing the reversion, hopefully during 1972, subject to the conclusion of these specific arrangements with the necessary legislative support. In this connection, the Prime Minister made clear the intention of his Government, following reversion, to assume gradually the responsibility for the immediate defence of Okinawa as part of Japan's defence efforts for her own territories. The President and the Prime Minister agreed also that the United States would retain under the terms of the Treaty of Mutual Cooperation and Security such military facilities and areas in Okinawa as required in the mutual security of both countries.

7. The President and the Prime Minister agreed that, upon return of the administrative rights, the Treaty of Mutual Co-operation and Security and its related arrangements would apply to Okinawa without modification thereof. In this connection, the Prime Minister affirmed the recognition of his Government that the security of Japan could not be adequately maintained without international peace and security in the Far East, and therefore the security of countries in the Far East was a matter of serious concern for Japan. The Prime Minister was of the view that, in the light of such recognition on the part of the Japanese Government, the return of the administrative rights over Okinawa in the manner agreed above should not hinder the effective discharge of the international obligations assumed by the United States for the defence of countries in the Far East including Japan. The President replied that he shared the Prime Minister's view.

8. The Prime Minister described in detail the particular sentiment of the Japanese people against nuclear weapons and the policy of the Japanese Government reflecting such sentiment. The President expressed his deep understanding and assured the Prime Minister that, without prejudice to the position of the U.S. Government with respect to the prior consultation system under the Treaty of Mutual Cooperation and Security, the reversion of Okinawa would be carried out in a manner consistent with the policy of the Japanese Government as described by the Prime Minister.

13. The President and the Prime Minister agreed that attention to the economic needs of the developing countries was essential to the development of international peace and stability. The Prime Minister stated the intention of the Japanese Government to expand and improve its aid programmes in Asia commensurate with the economic growth of Japan. The President welcomed this statement and confirmed that the United States would continue to contribute to the economic development of Asia. The President and Prime Minister recognized that there would be major requirements for the post-war rehabilitation of Vietnam and elsewhere in South-East Asia. The Prime Minister stated the intention of the Japanese Government to make a substantial contribution to this end.

Source: Keesing's, 1969, p. 23699 (clauses 9, 10, 11, 12, 14 and 15 have been omitted). Underscoring, mine.

MEETING WITH PRIME MINISTER KAKUEI TANAKA OF JAPAN

Joint Statement by President Nixon and Prime Minister Tanaka following their meetings at Kuilima Hotel, Oahu, Hawaii. September 1, 1972.

1. Prime Minister Tanaka and President Nixon met in Hawaii August 31 - September 1 for wide ranging discussions on a number of topics of mutual interest. The talks were held in an atmosphere of warmth and mutual trust reflecting the long history of friendship between Japan and the United States. Both leaders expressed the hope that their meeting would mark the beginning of a new chapter in the course of developing ever closer bonds between the two countries.

2. The Prime Minister and the President reviewed the current international situation and the prospects for the relaxation of tension and peaceful solutions to current problems in the world, with particular reference to Asia. It was stressed that the maintenance and strengthening of the close ties of friendship and cooperation between the two countries would continue to be an important factor for peace and stability in the evolving world situation. Both leaders reaffirmed the intention of the two governments to maintain the Treaty of Mutual Cooperation and Security between the two countries, and agreed that the two governments would continue to cooperate through close consultations with a view to ensuring smooth and effective implementation of the Treaty.

3. In discussing the increasing indications for peace and stability in Asia, the Prime Minister and the President welcomed the recent opening of dialogue in the Korean Peninsula, and the

increasingly active efforts of Asian countries for self-reliance and regional cooperation, and shared the hope for an early realization of peace in Indochina. The Prime Minister and the President recognized that the President's recent visits to the People's Republic of China and the USSR were a significant step forward. In this context, they shared the hope that the forthcoming visit of the Prime Minister to the People's Republic of China would also serve to further the trend for the relaxation of tension in Asia.

4. The Prime Minister and the President discussed the recent agreements reached by the United States and the USSR on the limitation of ballistic missile defenses and the interim arrangement of the limitation of strategic offensive missiles, and they agreed that such measures represented an important step forward in limiting strategic arms and contributing to world peace. They agreed to consult on the need for further steps to control strategic arms.

5. The Prime Minister and the President exchanged views in a broad perspective on issues related to economic, trade and financial matters. The Prime Minister and the President emphasized the great importance of economic relations between Japan and the United States. Both leaders expressed their conviction that their talks would contribute to closer cooperation between the two countries in dealing with economic issues of a bilateral and global nature.

6. The Prime Minister and the President shared the view that fundamental reform of the international monetary system

is essential. They committed their governments to work rapidly to achieve such reform. In trade, they reaffirmed the February 1972 commitments of both countries to initiate and actively support multilateral trade negotiations covering both industry and agriculture in 1973. In this connection they noted the need in the forthcoming trade negotiations to lay the basis for further trade expansion through reduction of tariff and non-tariff barriers as well as formulations of a multilateral non-discriminatory safeguard mechanism.

7. The Prime Minister and the President agreed that both countries would endeavor to move towards a better equilibrium in their balance of payments and trade positions. In this regard, the President explained the measures undertaken by the United States to improve its trade and payments position and stated that the Government of the United States was urging U.S. firms to expand the volume of exports through increased productivity and improved market research, particularly to Japan. The Prime Minister indicated that the Government of Japan would also try to promote imports from the United States and that it was the intention of the Government of Japan to reduce the imbalance to a more manageable size within a reasonable period of time. The Prime Minister and the President agreed that it would be most valuable to hold future meetings at a high level to review evolving economic relationships, and that they intend to hold a meeting of the Joint United States-Japan Committee on Trade and Economic Affairs as early in 1973 as feasible.

8. The Prime Minister and the President noted the endeavors of the two countries, in cooperation with other developed countries, to help bring stability and prosperity to the developing countries in Asia and other regions of the world. They acknowledged the need for adequate levels of official development assistance on appropriate terms. They also reaffirmed that the two governments intend to continue to help strengthen the international financial institutions for the purpose of economic development of the developing countries.

9. The Prime Minister and the President reaffirmed the need to promote efforts to improve the mutual understanding of the cultural, social and other backgrounds between the peoples of the two countries. They agreed further that new and improved programs of cultural and educational exchange are an important means to this end. In this connection the President underlined his high hopes for the successful activities of the Japan Foundation to be inaugurated in October this year.

10. The Prime Minister and the President noted with satisfaction the growing momentum of cooperation between the two countries in increasingly diverse fields under the common aims of maintaining and promoting peace and prosperity of the world and the well-being of their countrymen. They agreed to strengthen and expand the already close cooperation between the two countries in controlling the illegal traffic in narcotics and other dangerous drugs, and they also agreed on the need for further bilateral and multilateral cooperation concerning the development and better utilization of energy and mineral resources and

on the pressing problems of environmental protection and pollution control. They pledged to continue appropriate assistance through the UN and its specialized agencies for the solution of problems caused by too rapid population growth.

11. The Prime Minister and the President discussed cooperation in space exploration including Japan's goal of launching geo-stationary communications and other applications satellites. The President welcomed Japan's active interest in and study on the launching of a meteorological satellite in support of the global atmospheric research program.

12. The Prime Minister and the President expressed satisfaction with their talks and agreed to continue to maintain close personal contact.

Source: Weekly Compilation of Presidential Documents.  
Underscores, mine.

VISIT OF PRIME MINISTER TAKEO MIKI OF JAPAN

Joint Statement by President Ford and Prime Minister Miki  
at the Conclusion of Their Meetings. August 6, 1975.

The Prime Minister of Japan and the President of the United States, recognizing that the Japanese and American peoples share fundamental democratic values and are joined together by ties of mutual trust and cooperation, affirm that their two nations will continue to work together to build a more open and free international community, and state as follows:

- A more stable and peaceful world order requires the acceptance by all nations of certain principles of international conduct, and the establishment of a creative international dialogue--transcending differences of ideology, tradition or stages of development.
- Those principles must include respect for the sovereignty of all nations, recognition of the legitimate interests of others, attitudes of mutual respect in international dealings, determination to seek the peaceful resolution of differences among nations, and firm commitment to social justice and economic progress around the globe.
- Japan and the United States pledge to support these principles, and to nurture a dialogue among nations which reflects them. They will expand and strengthen their cooperation in many fields of joint endeavor. Recognizing that equitable and durable peace in Asia is essential to that of the entire world, Japan and the United States will extend every support to efforts of the countries of the region to consolidate such a peace.

- International economic and social relations should promote the prosperity of all peoples and the aspirations and creativity of individuals and nations. The interests of developed as well as developing countries, and of consumers as well as producers of raw materials, must be accommodated in a manner which advances the well being of all and brings closer the goal of social and economic justice.
- In a world made small by science and technology, as well as by trade and communications, interdependence among nations has become a reality affecting the lives and welfare of all peoples. International economic institutions and systems must function in a manner reflecting that interdependence and promoting a cooperative rather than a confrontational approach to economic issues.
- The suffering caused by disease and hunger is a most serious and poignant impediment to a humane international economic and social order. The financial, educational and technological resources of developed countries give them a special responsibility for the alleviation of these conditions. It is imperative that there be an increasingly effective sharing of knowledge, resources and organizational skill among all countries to hasten the day when these scourges will be eliminated from the earth. In these endeavors also, Japan and the United States will contribute fully.

Source: Weekly Compilation of Presidential Documents.

VISIT OF PRIME MINISTER TAKEO FUKUDA OF JAPAN

U.S.-Japanese Joint Communique Issued at the Conclusion  
of Prime Minister Fukuda's Visit. March 22, 1977.

President Carter and Prime Minister Fukuda met in Washington March 21 and 22 for a comprehensive and fruitful exchange of views on matters of mutual interest.

They expressed satisfaction that through the meetings, a relationship of free and candid dialogue and mutual trust was established between the new leaders of the governments of the United States and Japan. They agreed that the two Governments would maintain close contact and consultation on all matters of common concern.

The President and the Prime Minister expressed their determination that the two countries, recognizing their respective responsibilities as industrialized democracies, endeavor to bring about a more peaceful and prosperous international community. To this end, they agreed that it is essential for the industrialized democracies to develop harmonized positions toward major economic issues through close consultation. They agreed further that it is important to sustain and develop dialogue and cooperation with countries whose political systems differ and which are in varying stages of economic development.

The President and the Prime Minister noted with satisfaction that the friendly and cooperative relations between the United States and Japan have continued to expand throughout diverse areas in the lives of the two peoples--not only in economic and political interchange, but in such varied fields as science

and technology, medicine, education and culture. They looked forward to further collaboration on both private and governmental levels in all these areas. The President and the Prime Minister confirmed their common determination to further strengthen the partnership between their two countries, based on shared democratic values and a deep respect for individual freedom and fundamental human rights.

The President and the Prime Minister confirmed their common recognition that the interdependence of nations requires that the industrial countries manage their economies with due consideration for global economic needs, including those of the developing nations. They agreed that economic recovery of the industrialized democracies is indispensable to the stable growth of the international economy, and that nations with large-scale economies, including the United States and Japan, while seeking to avoid recrudescence inflation, should contribute to the stimulation of the world economy in a manner commensurate with their respective situations. They agreed that both Governments would continue to consult closely to this end.

They agreed that a liberal world trading system is essential for the sound development of the world economy, and in this connection expressed their determination to seek significant early progress in the Tokyo Round of the Multilateral Trade Negotiations and to bring those negotiations to a successful conclusion as soon as possible.

They reconfirmed the need for the nations concerned, including the United States and Japan, to address constructively

the issues posed in the North-South relationship. They noted the continuing seriousness of the global energy problem and reconfirmed the importance of taking further steps to conserve energy and to develop new and alternative energy sources. They agreed on the necessity of intensified consumer country cooperation in the International Energy Agency and of continued promotion of cooperation between the oil-importing and oil-producing countries. They agreed that both Governments would continue their efforts to identify and promote positive solutions to these issues, and would endeavor to bring the Ministerial Meeting of the Conference on International Economic Cooperation to a successful conclusion.

The President and the Prime Minister welcomed the convening in London in May of the summit conference of the major industrial countries. They expressed their expectation that the conference, in a spirit of cooperation and solidarity, would serve as a forum for a constructive and creative exchange of views on problems confronting the world economy.

The President and the Prime Minister reviewed the current international situation, and reaffirmed their recognition that the maintenance of a durable peace in the Asian-Pacific region is necessary for world peace and security.

They agreed that the close cooperative relationship between the United States and Japan, joined by bonds of friendship and trust, is indispensable to a stable international political structure in the Asian-Pacific region. They noted that the Treaty of Mutual Cooperation and Security between the United

States and Japan has greatly contributed to the maintenance of peace and security in the Far East, and expressed their conviction that the firm maintenance of the Treaty serves the long-term interests of both countries.

The President reaffirmed that the United States as a Pacific nation, maintains a strong interest in the Asian-Pacific region, and will continue to play an active and constructive role there. He added that the United States will honor its security commitments and intends to retain a balanced and flexible military presence in the Western Pacific. The Prime Minister welcomed this affirmation by the United States and expressed his intention that Japan would further contribute to the stability and development of that region in various fields, including economic development.

Noting the activities of the Association of Southeast Asian Nations, the President and the Prime Minister valued highly the efforts of its member countries to strengthen their self-reliance and the resilience of the region. They also reaffirmed that the two countries are prepared to continue cooperation and assistance in support of the efforts of the ASEAN countries toward regional cohesion and development.

Taking note of the situation in Indochina, they expressed the view that the peaceful and stable development of this area would be desirable for the future of Southeast Asia as a whole.

The President and the Prime Minister noted the continuing importance of the maintenance of peace and stability on the Korean Peninsula for the security of Japan and East Asia as a whole. They agreed on the desirability of continued efforts

to reduce tension on the Korean Peninsula and strongly hoped for an early resumption of the dialogue between the South and the North. In connection with the intended withdrawal of United States ground forces in the Republic of Korea, the President stated that the United States, after consultation with the Republic of Korea and also with Japan, would proceed in ways which would not endanger the peace on the Peninsula. He affirmed that the United States remains committed to the defense of the Republic of Korea.

The President and the Prime Minister emphasized that, as a first step toward the most urgent task of nuclear disarmament, nuclear testing in all environments should be banned promptly. With respect to the international transfer of conventional weapons, they emphasized that measures to restrain such transfers should be considered by the international community as a matter of priority. In connection with the prevention of nuclear proliferation, the President welcomed the ratification by Japan last year of the Treaty on the Non-Proliferation of Nuclear Weapons.

The President and the Prime Minister, recognizing the important role the United Nations is playing in the contemporary world, agreed that Japan and the United States should cooperate for the strengthening of that organization. In this connection, the President expressed his belief that Japan is fully qualified to become a permanent member of the Security Council of the United Nations, and stated American support for that objective. The Prime Minister expressed his appreciation for the President's statement.

The President and the Prime Minister reaffirmed that the use of nuclear energy for peaceful purposes should not lead to nuclear proliferation. In this connection, the President expressed his determination to develop United States policies which would support a more effective non-proliferation regime. The Prime Minister stated that for Japan, a party to the Non-Proliferation Treaty and a highly industrialized state heavily dependent on imported energy resources, it is essential to progress toward implementation of its program for the development and utilization of nuclear energy. The President agreed to give full consideration to Japan's position regarding its energy needs in connection with the formulation of a new nuclear policy by the United States. The President and the Prime Minister agreed on the necessity for close cooperation between the United States and Japan in developing a workable policy which will meet Japan's concerns and contribute to a more effective non-proliferation regime.

The President and the Prime Minister discussed matters concerning bilateral trade, fisheries, and civil aviation. They agreed on the importance of continued close consultation and cooperation between the two Governments to attain mutually acceptable and equitable solutions to problems pending between the United States and Japan.

The Prime Minister conveyed an invitation from the Government of Japan to President and Mrs. Carter to visit Japan. The President accepted this invitation with deep appreciation and stated that he looked forward to visiting Japan at a mutually convenient time.

## APPENDIX C

### EXCERPT FROM SECRETARY VANCE'S ADDRESS TO ASIA SOCIETY, JUNE 29, 1977

#### AMERICA'S ROLE IN CONSOLIDATING A PEACEFUL BALANCE AND PROMOTING ECONOMIC GROWTH IN ASIA

##### Republic of Korea

The Republic of Korea has made good use of the opportunities provided by peace on the peninsula to become increasingly self-reliant and self-sufficient. The standard of living of its people has improved significantly over the past decade; its trade has grown enormously; its agriculture has been revolutionized.

Our security commitment to the Republic of Korea and our determination to maintain it are essential to the preservation of peace in Northeast Asia.

South Korea's growth and strength are the basis for President Carter's decision to proceed with a carefully phased withdrawal of American ground troops. This will be done in a way that will not endanger the security of South Korea. We will also seek, with the concurrence of the Congress, to strengthen South Korea's defense capabilities. Furthermore:

--Our ground troops constitute only about five percent of the total ground troops committed to the defense of South Korea.

--The gradual withdrawal of these troops over four to five years will be offset by the growing strength and self-confidence of the South Korean armed forces.

--Our air, naval, and other supporting elements will remain.

--We are working closely with the Koreans to help them increase their own defense capabilities.

The United States and the Republic of Korea share a strong desire to establish a durable framework for maintaining peace and stability on the peninsula.

--We support the entry of North and South Korea into the United Nations without prejudice to ultimate reunification.

--We are prepared to move toward improved relations with North Korea provided North Korea's allies take steps to improve relations with South Korea.

--We have proposed negotiations to replace the existing armistice with more permanent arrangements.

--We have offered to meet for this purpose with South and North Korea and the People's Republic of China, as the parties most immediately concerned, and to explore with them the possibilities for a larger conference with Korea's other neighbors, including the Soviet Union. We will enter any negotiations over the future of the peninsula only with the participation of the Republic of Korea.

Source: Department of State Bulletin.

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